

THE AMERICAS

Clinton Case Focuses On Obstruction Charge

Witnesses Were Chosen to Support That Count

By Eric Schmitt
New York Times Service

WASHINGTON — House Republican prosecutors say they have chosen three witnesses who can help them make the broadest and strongest case that President Bill Clinton obstructed justice, the impeachment article that has drawn the most interest from senators of both parties.

When the trial started three weeks ago, the House prosecutors were sure that their best chance of convicting Mr. Clinton lay in convincing the senators that the president had lied under oath before a federal grand jury about his relationship with the former White House intern Monica Lewinsky.

But since then, senators' squeamish about the sexual aspects of the perjury charge have focused on obstruction of justice as the article most likely to rise to the level of an impeachable offense. The question now, in many senators' minds, is "Did it happen?"

"Some of us feel very strongly about the second count, and we need witnesses to help on that," said Senator Gordon Smith of Oregon, one of the 56 senators — all but one of them Republicans — who voted Wednesday in favor of subpoenaing Ms. Lewinsky, the president's confidant Vernon Jordan Jr. and the White House aide Sidney Blumenthal.

The obstruction article charges Mr. Clinton with having encouraged Ms. Lewinsky to file a false affidavit in the sexual-misconduct lawsuit filed against the president by Paula Jones and to conceal gifts he had given Ms. Lewinsky. It contends that the president enlisted Mr. Jordan's help in finding Ms. Lewinsky a job to buy her cooperation in the Jones suit, and it accuses the president of attempting to influence the testimony of his secretary, Betty Currie, and top aides such as Mr. Blumenthal.

"The senators seem to relate the perjury charge to sex and the president's twisting definitions," said Representative Ed Bryant, Republican of Tennessee, the House manager who will question Ms. Lewinsky. "It's an easier sell job with obstruction of justice. It's about a cover-up."

Representative Asa Hutchinson, Republican of Arkansas, the manager who will interview Mr. Jordan, said, "Obstruction of justice is extraordinarily compelling and goes to the heart of our judicial system."

Under pressure from Senate Republicans, the House prosecutors pared their wish list of witnesses from 15 to five and finally to three.

In the end, they left out the one witness whom many Republicans had considered a secret weapon — Mrs. Currie — disappointing some senators who apparently believed she had the most potential to clarify factual discrepancies.

"It was a question of making judicious decisions as to which witnesses would give us the best chance to try to convert people into a vote for conviction," said Representative George Gekas, Republican of Pennsylvania.

Ms. Lewinsky is the managers' star witness and had a guaranteed spot in the lineup. But the managers shuffled and reshuffled their final two choices as they gauged both the mood of the Senate and their own analysis of which witnesses could swing wavering senators.

They decided to drop Mrs. Currie, some managers said Wednesday, because the secretary's testimony about the president's recollections of his relationship with Ms. Lewinsky seemed immovable. Mr. Clinton's lawyers have repeatedly insisted that Mrs. Currie testified that she did not feel pressured when Mr. Clinton uttered a series of statements about Ms. Lewinsky in which he claimed to be Mrs. Currie that they were never alone.

House prosecutors have interpreted the president's actions as witness-tampering, saying Mr. Clinton was coaching Mrs. Currie about what to say if she were ever called as a witness.

The prosecutors also said they did not need Mrs. Currie's deposition because, in their view, Ms. Lewinsky's testimony was sufficient to support their accusations that Mr. Clinton had directed Mrs. Currie to pick up gifts that were under subpoena by the lawyers for Mrs. Jones. Privately, some said a reason Mrs. Currie was not called is that the prosecutors, already reviled in the public view according to many opinion polls, did not want to be seen as grilling a sympathetic African-American woman in the Senate.

Senate Republicans, including Susan Collins of Maine and Paul Coverdell of Georgia, expressed surprise and disappointment that the managers had decided not to summon Mrs. Currie.

Democratic senators accused the managers of disregarding their pretext

for calling witnesses — to clarify conflicting testimony.

The prosecutors opted to summon Mr. Jordan instead of Mrs. Currie to underscore what they say were Mr. Jordan's efforts, at the White House's urging, to help find Ms. Lewinsky a job in New York and buy her silence.

Finally, the managers had to choose between Mr. Blumenthal and John Podesta, the White House chief of staff, as to who would best illustrate the accusation that Mr. Clinton lied to his aides in an attempt to influence their possible testimony about his relationship with Ms. Lewinsky.

Mr. Blumenthal told the grand jury that the president had at first described Ms. Lewinsky as a "stalker" and said she had "threatened" to tell people "they'd had an affair." Those descriptions also were used by some House prosecutors to try to prove that the White House had employed a strategy of leaks or spreading negative stories about opponents or potentially damaging witnesses.

Republicans Press On, Risking Political Damage

By Dan Balz
Washington Post Service

WASHINGTON — Senate Republicans find themselves in an excruciating position, torn between the judgment of the majority of the American people and the passions of their most conservative loyalists.

A year and six days after the Monica Lewinsky story broke, President Bill Clinton got an official reprieve Wednesday, despite condemnations of his conduct. Although the Senate refused to dismiss the case against the president, not even the most vehement Clinton opponent believes 11 Democratic votes for conviction will materialize in the coming days.

But in the face of that reality, Republicans unanimously decided Wednesday to press forward with depositions from three witnesses — even though a number of Republican senators had registered reservations about that course within the last few days. Why did they feel compelled to keep going?

"One thing Republicans in the Senate can't do is throw a hand grenade at the feet of their own base," said the party consultant Ralph Reed.

But the need to assuage those conservatives comes at a growing price. With the trial's outcome now apparent, the longer it drags on, the more potential damage Republicans inflict upon themselves — both in the elections of 2000 and in the eyes of history.

As John Pitney, a professor at Claremont McKenna College in California, put it, "Right now, people think

of impeachment and Republicans in the same thought."

Nothing is likely to change that impression between now and the end of the trial.

House Republicans created this problem, but Senate Republicans are responsible for trying to solve it. And the more they attempt to accommodate the House managers — and their own conservative base — on procedural questions, the more they risk reinforcing the partisan divisions that have marked the impeachment process since it was begun in the House.

Mr. Reed said most conservatives were resigned to an outcome that leaves Mr. Clinton condemned in some fashion but still in office. "I think they're not seeking to hold Republican senators' feet to the fire on conviction, but on a display of moral courage and a fair and complete trial," he said.

But historians said Wednesday that the continued partisan divisions over whether Mr. Clinton should be impeached and convicted for his conduct in the Lewinsky matter risked stamping the whole process as a bitter political fight, not a reasoned, legal process.

"It's going to be all the more difficult," said Robert Dallek, a historian and presidential biographer, "for historians to take the Republican argument about the rule of law all that seriously."

Pointing to the dismissal vote Wednesday, he added: "Is it conceivable that all but one Democrat, Wisconsin

CLINTON: Senate Continues Jousting on Trial Timetable

Continued from Page 1

very political way, is construct a procedure where they can convict the president but not remove him," said the White House spokesman, Joe Lockhart. He added, "The constitution is clear: The Senate has one role, which is to convict and remove" or to acquit.

With strong Republican support for a final outcome that will not allow Mr. Clinton to claim exoneration or vindication, it was unclear how the matter would be resolved.

The nearly party-line margin during two votes Wednesday made it clear that there was virtually no chance Mr. Clinton would be removed from office.

Mr. Lockhart also denied a New York Times report that a split had emerged among Mr. Clinton's legal team over how vigorously to press the defense strategy at a time when the endgame was clearly in sight.

Mr. Lott and his Democratic counterpart, Senator Tom Daschle of South Dakota, along with other Senate leaders have been locked in a series of meetings, hammering out proposals to conclude the trial by mid-February.

Mr. Lott said Democrats did not want videotapes to be made of the depositions of Monica Lewinsky, the former White House intern whose sexual relationship with the president sparked impeachment; Vernon Jordan Jr., the Washington attorney and Clinton friend who tried to help Ms. Lewinsky find a job, and Sidney Blumenthal, a White House adviser.

The depositions will involve sworn testimony by the three before House "managers" prosecuting the case, members of Mr. Clinton's legal team and one senator from each party.

Democrats, who have strenuously opposed the calling of any witnesses, presumably were concerned that in the event of unfavorable testimony, videotapes would have a greater impact on senators than written transcripts.

The Senate voted Wednesday not to dismiss the trial but to call the three witnesses. Those votes, almost precisely on party lines, left the Senate unsure exactly how to proceed with the questioning of witnesses, the form in which their testimony will be presented to senators and what additional votes will be taken.

White House lawyers had told Mr. Daschle that they would accept an accelerated trial schedule if no damaging new information emerged from the three witnesses and if there is no live testimony before the Senate, senior presidential advisers told The Associated Press.

The Clinton team reportedly wants to reserve an opportunity to review documents and possibly call its own witnesses in the event of surprises.

Mr. Lockhart said that Republican proposals to vote,



Democratic senators lining up to speak to reporters outside the Senate's chambers after the vote to call witnesses in the Clinton impeachment trial. From left are Max Baucus of Montana, Charles Schumer of New York, Robert Torricelli of New Jersey, Byron Dorgan of North Dakota and Christopher Dodd of Connecticut.

POLITICAL

Bush Is Still Sitting Firmly on the Fence

AUSTIN, Texas — Governor George Bush, who has sometimes expressed discomfort with the relentless speculation over whether he will run for president in 2000, brought the matter up himself in his State of the State address, saying legislators should seize this "national spotlight" to teach Washington lawmakers a thing or two.

"I have been asked about it, you have been asked about it," Mr. Bush told the legislators. "You didn't ask for it, but it is here anyway."

"And we can either view it as a distraction or seize it as an opportunity to show the world what limited and constructive government looks like."

The 31 members of the state Senate, which the Republicans control by one vote, joined the 150 members of the House of Representatives, where the Democrats have an eight-vote majority, to hear Mr. Bush.

Widely regarded as the front-runner in the race for the Republican presidential nomination next year, the governor has said he will not announce whether he will run until March or April, when he will either establish an exploratory committee, say he is definitely in the race or take himself out of it.

Mr. Bush has played host in recent weeks to a stream of potential fund-raisers and presidential advisers — to help him make up his mind, he has said — and political professionals in several states have said he has asked them not to commit to another Republican candidate until he makes his decision.

"People keep asking me, will I or won't I?" he said Wednesday. "The big answer to the question is, I really don't know yet." (NTT)

Help for Workers

WASHINGTON — Aiming to improve workers' skills, President Bill Clinton is proposing \$965 million in new and increased spending to retrain dislocated workers, teach illiterate adults to read and increase job opportunities for at-risk youth.

The latest details from the budget that Mr. Clinton outlined in his State of the Union address include increased grants for adult literacy programs, a toll-free number that connects displaced workers to unemployment and retraining resources and \$50 million to create jobs for disadvantaged youngsters.

The proposals call for \$190 million in increased spending in fiscal 2000 over last year's figures for adult education and family literacy programs, \$368 million more for job retraining assistance and \$405 million to increase youth employment. (AP)

Quote/Unquote

Paul Begala, a White House adviser, reacting to a suggestion that Republican senators owed it to their House colleagues not to dismiss the impeachment case: "That's like saying the Titanic owed something to the iceberg." (WP)

AIRPORT AUTHORITY

Janitorial Service for the Northwest Concourse Hong Kong International Airport

The Airport Authority is responsible for the management and operation of Hong Kong International Airport at Chek Lap Kok. Hong Kong has the world's fifth busiest international airport, the new Hong Kong International Airport has the capacity to cater for 35 million passenger in its first year of operation with an on-airport work force of around 45,000 employees.

The Authority is looking for a private sector organisation to undertake the provision of janitorial service for the Northwest Concourse of the Passenger Terminal Building scheduled to open in mid 1999. The contract term will be either three or four and a half year, it is estimated that a total of 44,300m² of floor area, and related wall finishes, roofing, fixtures, fittings and equipment, will require to be serviced.

The Authority is looking for a substantial janitorial service organisation to undertake this contract. Parties interested in this opportunity can register with the Authority, in writing, for an Expression of Interest Document. This document asks a series of questions, responses to which must be received by 1 p.m. on 26 February 1999. Late returns will not be considered. Responses will be evaluated in order to draw up a short list of potential contractors. To receive a copy of the Expression of Interest Document, please contact:

Miss Nerissa Chow
Manager - Contracted Service
Airport Management Division
Airport Authority
Hong Kong International Airport
Lantau
Hong Kong
Tel No.: (852) 2183 3203
Fax No.: (852) 2802 8012

All cost associated with any submission in response to this notice shall be entirely the responsibility of the organisation(s) concerned. The Authority reserves the right to reject any application at its discretion and without explanation.



Man With Explosives Is Arrested at Senate

Washington Post Service

WASHINGTON — A Maryland man with tickets to the Senate impeachment trial was arrested last week when he tried to bring a bag containing an 18-inch knife and two explosives into the Capitol, according to authorities.

Capitol police stopped Walter Wilson Johnson, 36, on Jan. 20 when they checked the bag on an X-ray machine, officials said Wednesday. At the time, President Bill Clinton's lawyers, led by his special counsel Gregory Craig, were presenting their second day of opening arguments before a crowded Senate chamber. Mr. Johnson told the police he kept the knife for "protection," authorities said.

Capitol police said a search of Mr. Johnson's bag also turned up two M-60 explosive devices, a "terrorist handbook," weapons price lists, an article on the Oklahoma City bombing, survivalist materials and a Soldier of Fortune magazine.

Away From Politics

• Training quality-of-life sights on New York dogs. Mayor Rudolph Giuliani has announced plans to increase fines for harboring dogs found to be dangerous, to deny dogs any consideration for being provoked into barking or biting and to require owners of pit bulls to obtain \$100,000 in liability insurance. (NYT)

• Damage suits against the handgun industry were filed by Miami and Dade County, Florida, and by Bridgeport, Connecticut. They joined a campaign to hold gun makers responsible for costs of crimes committed with guns. (LAT)

• Zapping a laser pointer at motorists is now against the law in San Ramon, California. The new ordinance also limits minors' access to the pointers. (AP)

• Clemency was rejected for an inmate scheduled to be executed next week in McAlester, Oklahoma, for three slayings he committed as a 16-year-old. (AP)

Bob Edwards in Edinburgh?

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BOEING

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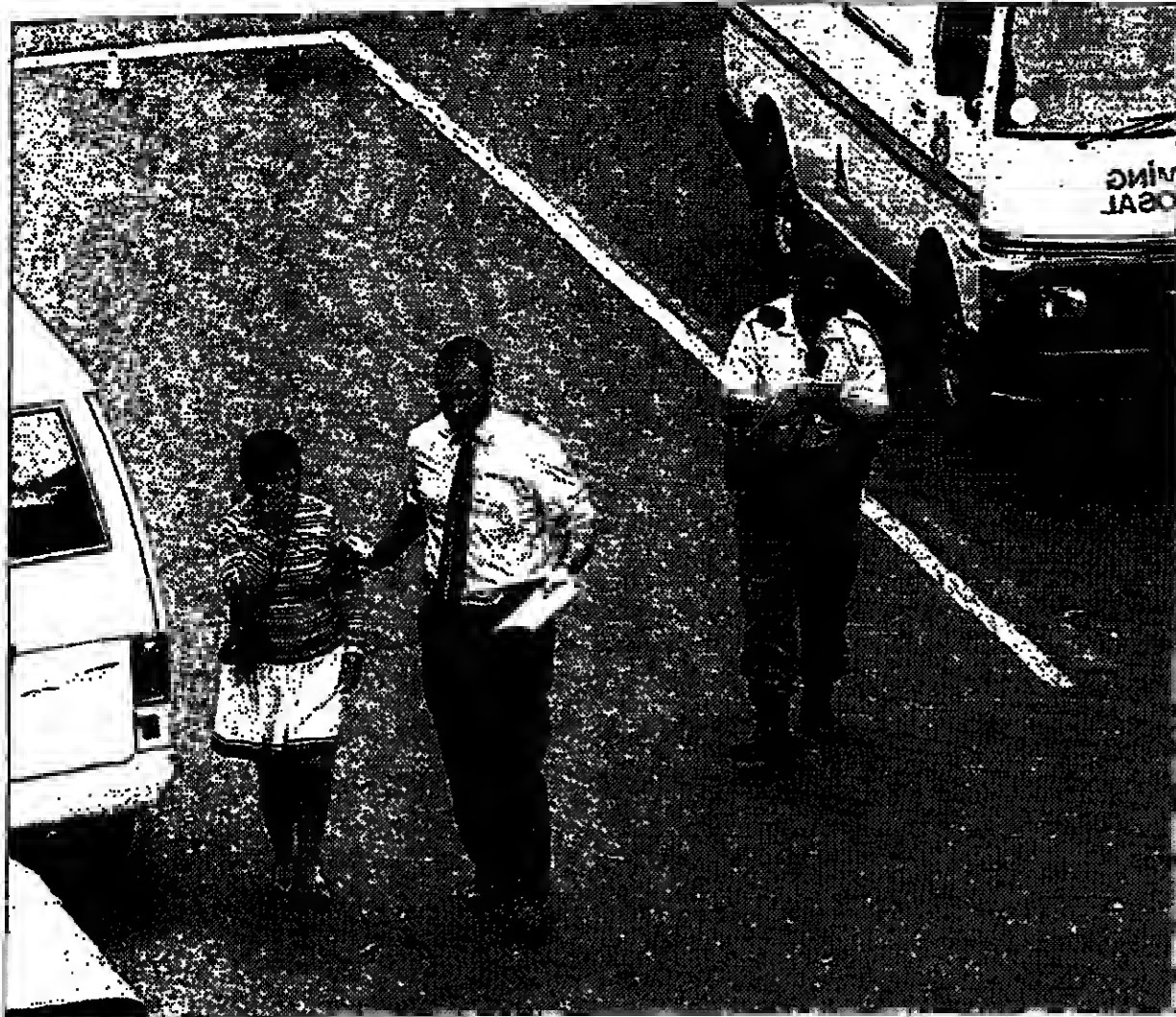


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INTERNATIONAL



Police officers in Cape Town escorting a passer-by shaken by a bomb explosion near the main police station.

Bomb in Central Cape Town Wounds 11

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — The third bomb in five months went off in central Cape Town on Thursday, wounding 11 people at the entrance to the city's main police station.

No one took responsibility for the explosion, which the police tentatively said involved a pipe bomb left in a garbage can. The police said they were questioning two people, whom they did not identify.

Four of the injured, none of them police officers, had serious burns or shrapnel wounds from the blast, which took place just after 1 P.M. outside the Caledon Square station.

Blue shreds of the garbage can littered the street next to a shattered green Volkswagen, and blood was spattered around the area, local news services reported.

Cape Town is in the grip of a three-way war involving the police, gangs of criminals and conservative Muslim vigilantes.

Both the gangs, which are rich with drug money, and the vigilantes are based in the huge mixed-race Cape Flats neighborhoods outside the central city, near the airport.

The vigilantes, most prominently an imam-led group calling itself People Against Gangsterism and Drugs, are suspected of setting many bombs to kill drug dealers and police officers.

They are also suspected of the two major blasts in a tourist area, the Victoria & Alfred Waterfront.

The first exploded in a crowded Planet Hollywood restaurant on Aug. 25, killing two people and wounding 25. It was presumably a form of retaliation against the United States, which had just fired cruise missiles into Afghanistan and Sudan into suspected terrorist sites.

The second, on Jan. 2, blew up cars outside a theater that was to show "The Siege," an American film in which the villains are Muslim fundamentalist terrorists.

No one has been charged in the blasts, but the police said the two bombs and those used against drug dealers and police substations had design similarities.

The police have been trying hard to infiltrate the vigilante group, with little apparent success. Last year, a police captain who was heading one of the investigations was shot and killed in his car by several gunmen after he stopped to help a motorist.

Blaming the vigilantes for that killing, the police and government announced Operation Good Hope, a joint police-army operation to restore law and order to the Cape Town area.

Local news commentators said the blast Thursday appeared to be intended as a response to that operation.

Pope Condemns Death Penalty

Citing Appeal, Missouri's Governor Commutes a Killer's Sentence

By Alessandra Stanley
New York Times Service

ST. LOUIS, Missouri — Preaching consistency in moral values, Pope John Paul II urged American Catholics to extend the crusade to protect human life to include murderers on death row.

"The new evangelization calls for followers of Christ who are unconditionally pro-life," the Pope preached to 100,000 people in the Trans World Sports Dome, a football stadium.

Modern society has the means of protecting itself, without definitively denying criminals the chance to reform.

He called the death penalty "cruel and unnecessary," even in the case of a criminal who "has done great evil."

The Pope has often urged an end to the death penalty, but his speech Wednesday was the most explicit statement against capital punishment he has made in the United States.

Governor Mel Carnahan of Missouri on Thursday commuted the death sentence of a convicted murderer to life without parole, citing a personal plea by the Pope. The Associated Press reported.

"I continue to support capital punishment, but after careful consideration

of his direct and personal appeal and because of a deep and abiding respect for the pontiff and all he represents, I decided last night to grant his request," he said.

[Darrell Mease, convicted of murdering a drug partner and two others in southwestern Missouri in 1988, had been scheduled to die Wednesday. His execution was postponed in December by the Missouri Supreme Court, apparently because of the Pope's visit to St. Louis, which ended Wednesday.]

At the Mass on Wednesday, some in the audience expressed deep reverence for the Pope but disagreement with his teachings on capital punishment.

"I am here because I really believe," said Araminta Rincon, a translator who had arrived at the site at 3 A.M. from Green Bay, Wisconsin. "I am a believing Catholic, and I love this Pope."

But she, like others, said she also believed in the death penalty. "In some ways, it's very sad. But there is no other way — some people are just very, very bad."

This 30-hour stop was the 78-year-old Pope's fifth pastoral visit to the United States, and once again, he found himself confronting one of the chief frustrations of his papacy: Many American Catholics display a stubborn independence from Vatican teaching.

The Pope, who stopped in St. Louis after an episcopal meeting in Mexico to instruct North Americans about their responsibility to the world in the new millennium, also had to remind Catholics to heed the basic tenets of their faith.

In his homily, the Pope mentioned some of the moral issues that divide Americans and many Catholics elsewhere.

"As believers, how can we fail to see that abortion, euthanasia and assisted suicide are a terrible rejection of God's gift of life and love?" he asked.

In visiting St. Louis, the Pope chose a metropolitan area that is close to 55 percent Catholic.

But his message was also aimed at the nation at large, and before leaving St. Louis on Wednesday night, he held an evening prayer service at the St. Louis Cathedral for about 2,000 people, including Vice President Al Gore and Representative Dick Gephardt, Democrat of Missouri, and their wives.

The Pope told his audience that as the only superpower, the United States was a model for the rest of the world.

"Radical change in world politics leaves America with a heightened responsibility to be for the world an example of a genuinely free, democratic, just and humane society," he said.

John Paul II, who was the first Pope to apologize openly for the failure of many Catholics to resist the Nazi policy of exterminating Jews during World War II, has tried to make ecumenism and reconciliation with the Jews a hallmark of his papacy. A rabbi, Robert, executive vice president of the St. Louis rabbinical association, gave a biblical reading about a prophecy of the renewal of Zion at the vespers service, giving the opening in Hebrew. The Pope has visited synagogues and prayed with rabbis at interfaith services, but this was the first time a rabbi had given a reading at a Catholic service officiated by the Pope.

After vespers, the Pope walked out of the basilica and shook hands with Rosa Parks, the civil-rights heroine of the Montgomery, Alabama, bus boycott in 1955. Mrs. Parks, who will turn 86 in February, rose from her wheelchair to shake the Pope's hand.

The ailing Pope, whose voice is slurred as the result of Parkinson's disease, was at times difficult to understand. At the football stadium, giant screens included captioned text of his remarks. He seemed buoyed by the enthusiasm of his audiences, but outside, the fervor at times melted away. Though there were some areas where the crowds were six people deep, other sidewalks along his parade route were empty.

Israel Names Security Chief

Challengers Assail Netanyahu for Creating Council

Compiled by Our Staff From Dispatches

TEL AVIV — Prime Minister Benjamin Netanyahu Thursday announced the formation of a National Security Council headed by a former Defense Ministry director, David Ivry.

"The national security adviser will increase and tighten coordination and cooperation between government offices in national security issues," Mr. Netanyahu said.

He said Mr. Ivry, 64, a former chief of the air force, would help develop national security policy that integrates military, strategic, intelligence and economic affairs. He said the new council would report to the prime minister.

Mr. Netanyahu's move was attacked by his two main challengers in the May general election, Ehud Barak and the former defense minister, Yitzhak Mordechai, as creating unnecessary bureaucracy.

"Where is the logic to setting up a

National Security Council four months before the elections?" Mr. Mordechai, who was dismissed by Mr. Netanyahu last week for plotting a political challenge to the prime minister, told Israel Radio.

As defense minister, Mr. Mordechai had opposed the step, saying existing security forums were adequate.

"The National Security Council is a vital function for the security of the nation," Mr. Netanyahu said at a press conference.

"The council will examine geopolitical, economic, technological and communications interests, all of which are directly related to the security of the state," he said.

Another goal will be to strengthen Israeli-U.S. cooperation in countering the development of missiles and non-conventional weapons in the region in line with a strategic accord signed between the two countries late last year, he said.

(Reuters, AFP)

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Cruel Ulster Beatings Strain Peace Accord

Acts of Revenge Imperil Prisoner Releases

By T. R. Reid
Washington Post Service

LONDON — The springtime of peace that brought hope to Northern Ireland last year has deteriorated into a winter of brutal beatings and violent death, putting serious strains on the peace process and tarnishing the greatest political achievement of Prime Minister Tony Blair.

Mr. Blair huddled on the floor of Parliament on Wednesday as he struggled to respond to opposition leaders — and a few members of his own Labour Party — who said it was time for the government to crack down on the sectarian street armies believed to be responsible for a recent outbreak of what are called "punishment beatings."

As part of the Good Friday agreement last year, intended to end three decades of conflict in the British province, Prime Minister Blair's government has been granting early release to prisoners in Northern Ireland jails, including several members of Roman Catholic and Protestant paramilitary groups who had been serving life terms for murder.

For their part, the paramilitary groups are required by the agreement to honor a

cease-fire and a pledge of nonviolence.

With some cruel exceptions, this trade-off has served to preserve a general state of peace among the 1.6 million residents of Northern Ireland.

But this winter, a wet, cold and generally dismal time of year in the province, has brought a series of attacks in which armed squads have assaulted individuals with guns, baseball bats or iron tools, often breaking bones. Some of the victims have died. Others have been crippled or blinded.

On Wednesday, the police found the battered corpse of Eamon Collins, a former member of the Irish Republican Army, the predominantly Catholic guerrilla group that advocates an end to British rule in Northern Ireland and union with the Irish Republic.

Mr. Collins broke with the IRA and wrote a book, "Killing Rage," detailing its violent practices.

The police had no immediate explanation for Mr. Collins's death, but the victim said many times that he had been targeted for retribution by the IRA.

This has prompted Mr. Blair's opponents to say that his program of prisoner releases is a mistake and should be stopped. Traditionally, Britain's major political parties have buried their dif-



Mary Quinn, a resident of Dungannon, Northern Ireland, surveying a hole in her window caused Thursday by a hurled pipe bomb that did not explode. Authorities attributed the bomb to a wave of sectarian violence.

ferences on Northern Ireland.

But the winter of violence sparked a long, tough and clearly partisan debate in the House of Commons. "Every time Blair releases another prisoner early, he throws away another negotiating card," said William Hague, leader of the opposition Conservative Party.

Other Conservatives said that halting the release of prisoners would put pres-

sure on the paramilitary groups to stop the violence.

Mr. Blair was clearly rattled by the accusation and angry that Northern Ireland was being debated at all.

"What I would ask some of the honorable members opposite, who are shouting 'Disgrace!' and 'Shame!' at me, is to recognize the difficulty of this process," Mr. Blair retorted. "When they were in

government, we gave them support in difficult as well as easy times."

The prime minister noted that the number of punishment beatings this winter was no greater than in previous years. To stop the prisoner releases might destroy the overall agreement, he said, and "bring this whole process to an end."

But even within his own party, which normally shows impressive political discipline, Mr. Blair is facing opposition on the prisoner releases.

Another burst of beatings or killings — particularly now, with the political world and the media watching closely — could force the prime minister to make major changes in his approach to peace in Northern Ireland.

■ Ulster Official Accuses IRA

David Trimble, Northern Ireland's first minister, accused the Irish Republican Army on Thursday of murdering Mr. Collins, saying it had again broken its cease-fire. Agence France-Presse reported from Belfast.

"I think it's fairly clear who murdered Mr. Collins," he said. "Presumably, the same people who burned his house and tried to run him over — the IRA."

The Sinn Féin leader, Gerry Adams, described Mr. Collins's murder as "regrettable," but he noted that the dead man had "many enemies in many places."

There was condemnation from Dublin, along with a plea not to let the murder thwart the peace accord.

BRIEFLY

Schroeder Admits Slips in '100 Days'

BONN — Faced with accusations of a chaotic governing style, Chancellor Gerhard Schröder acknowledged Thursday that he had set too hasty a pace in his first 100 days in office.

Mr. Schröder's remarks, made during an interview, followed his center-left government's reversal this week on a timetable for abandoning nuclear power as well as earlier slips on issues of tax reform and social policy.

"We set a high tempo — sometimes too high a tempo — at the start in areas that were especially important to the coalition partners," Mr. Schröder was quoted as telling Der Tagesspiegel.

A liberal weekly, Die Zeit, scathingly summed up Mr. Schröder's record under a headline, "One hundred weak days." (AP)

Spain and Britain In Fishing Quarrel

MADRID — Tensions between Spain and Britain mounted on Thursday in a fishing dispute off Gibraltar as diplomats scrambled to find a compromise and fishermen threatened to block the border to the British colony.

The Spanish government gave London a 72-hour ultimatum, which expires Saturday, to publicly affirm a verbal agreement made last October between the two nations on fishing rights or it would take unspecified action.

The latest tension comes after British and Gibraltar police seized a Spanish fishing boat Wednesday for illegally fishing with nets in Gibraltar waters. (Reuters)

Islam in Politics Worrying Ankara

ANKARA — Seeking in snap political parties from using religion in the campaign for April 18 elections, military leaders of Turkey conferred Thursday with government officials.

The military and the secular establishment worry that the Islamic Virtue Party, the largest party, will emerge a winner. (AP)

In Europe's Arctic Zone, the Freeze of the Century

Compiled by Our Staff From Dispatches

OSLO — The northern fringe of Europe suffered its coldest weather of the century Thursday, and some Arctic regions of Russia have been gripped by a deep freeze as well.

In the Arctic stretches of Finland, Norway and Sweden, temperatures dipped under minus 51 centigrade (minus 60 Fahrenheit) Thursday.

That is too cold for mercury thermometers, which freeze at minus 39 centigrade (minus 38 Fahrenheit) and requires the use of alcohol-based thermometers.

At those temperatures, warm water tossed into the air outdoors will freeze before it hits the ground, as a Norwegian television station demonstrated for its report on the cold weather.

Northern Finland set a new national record for the second day in a row when the temperature fell to minus 51.5 cen-

tigrade (minus 60.7 Fahrenheit) during the night in the town of Polka. It was slightly warmer in the Norwegian town of Karasjok, with an overnight low of minus 51.2 centigrade (minus 60.2 Fahrenheit), just shy of Norway's record cold of minus 51.4 centigrade (minus 60.5 Fahrenheit) set in January 1886.

"This is a record for the century," said Sigrid Naess, who monitors the official temperature in Karasjok, a town in Finnmark Province, Norway. "You just have to dress warm and build a fire in the fireplace."

Electric power failed in many towns in Arctic provinces, leaving people shivering inside their homes, although virtually all homes also have fireplaces or other forms of heating.

Alfred Jacobsen, 86, measured freezing temperatures indoors because his house in Melhamn, Norway, was with-

out power. "It was full winter inside," he was quoted as telling the Oslo newspaper Verdens Gang.

In Finnish Lapland, about 5,000 people lost their electricity because power lines could not withstand the cold. "The metal power lines simply stretched and snapped under the pressure," from the cold, said Arto Miettinen, of the regional power company.

Compared to Norway and Finland, the night's low for northern Sweden was a relatively balmy minus 48.7 C (minus 55.7 Fahrenheit) in the town of Valkeakoski.

That was still cold enough to stop passenger trains in northern Sweden, since the air brakes used to stop them do not work at such low temperatures. Because air contracts in the cold, at extremely low temperatures there is not enough pressure to push the brakes. The cold snap, which may last

through the weekend, was brought on by cold air coming from Siberian regions of Russia. News reports said temperatures as low as minus 55.6 centigrade (minus 68 Fahrenheit) were recorded in Siberia this week.

The Russian Weather Service said the deep chill was unusually long. "It's one thing to cope for a day when it's minus 50 outside, but it's a different thing altogether to spend several days in a row like that," a meteorologist said.

In some parts of the Kola Peninsula near Russia's border with Norway, the temperature fell at night to almost minus 56 centigrade (minus 69 Fahrenheit) in one village this week — the lowest in more than 100 years.

The meteorologist said a cyclone was bringing warmer weather and that temperatures would rise slightly Thursday and Friday as the cold front headed toward Western Europe. (AP/Reuters)

ASIA/PACIFIC

Electoral Reforms Win Approval in Indonesia

Parliament Dismantles Old Political System

The Associated Press

JAKARTA — The Parliament approved political reforms Thursday for what is expected to be the most open election in Indonesia in four decades.

After weeks of negotiations and last minute deal-making, the legislature unanimously passed three bills that will largely dismantle the tightly controlled political system that had backed former President Suharto's authoritarian rule since the early 1970s.

"Agreed," shouted lawmakers after Lieutenant General Hari Subarno, deputy speaker of Parliament and head of its armed forces faction, asked them if they approved the bills. Many stood and applauded.

Jakarta's Army Yields to Shift On East Timor

Agence France-Presse

JAKARTA — "The military is ready to comply with the 'will of the people,' if they want East Timor to be separated from Indonesia, the armed forces chief, General Wiranto, said Thursday.

His comments followed an acknowledgment by the government Wednesday that it was prepared to grant East Timor independence.

The military would accept the people's wishes despite what he termed great sacrifices made and losses of life incurred by the Indonesian government and the military, General Wiranto said at the presidential palace.

"If it is decided that East Timor is no longer part of Indonesia, of course we will comply with it," he said.

Private estimates have said the Indonesian armed forces lost about 20,000 men in the battle to take East Timor, which was invaded in 1975 after the colonial power, Portugal, left. Some influential military officers now say no further effort should be made to hang on to the territory.

General Wiranto defied Indonesia's annexation of the territory, saying it had been for the sake of the local people.

"The East Timor integration was not a political mistake," he said. "It was not a wrong decision but one that was very right at the time it was taken. It was intended to save the East Timorese from greater bloodshed after Portugal unilaterally abandoned the territory." Indonesia declared East Timor its 27th province in 1976.

"We want to restate the government's promise to organize a fair and open election at whatever cost because this is the only way to create a credible government," said Lieutenant General Syarwan Hamid, who is the home affairs minister.

B.J. Habibie, who replaced President Suharto after riots and protests last May, has scheduled parliamentary elections on June 7.

He says the ballot, expected to be the freest since 1955, will be democratic. Critics, however, say the changes, which reduce but do not abolish a political role for the powerful military, do not go far enough.

During Mr. Suharto's rule, the Parliament had been largely a rubber stamp institution stacked with his supporters and friends.

Under the new laws, elections, which had been limited by Mr. Suharto to only three heavily regulated parties, will be opened up to a wide range of groups as long as they do not promote racial or religious problems and conform to a list of other broad requirements.

More than 4 million state employees, whom Mr. Suharto forced to vote for his ruling Golkar Party, will be banned from membership in political parties. Mr. Habibie has said that political neutrality is essential in the state bureaucracy.

The military, which now holds 75 nonelected seats in the Parliament, will have its representation reduced to 38.

Once elected, the Parliament along with 200 government appointees will form a People's Consultative Assembly.

As the nation's highest legislative body, the assembly will vote for a president this year.

The role of the military in politics is increasingly controversial. Opposition figures not in Parliament had wanted to reduce the number of appointed military seats to 15 with the aim of eventually banishing the armed forces from the legislature.

Many Indonesians resent the military, which is trying to revamp its tarnished image as a human rights violator and is struggling to contain a wave of riots and protests that has hit Indonesia in the past year.

The nation's military chief, General Wiranto, has pledged that the armed forces would remain neutral during the election. Under Indonesian law, members of the military are prohibited from voting in elections.

In Yogyakarta on Thursday, about 100 students demonstrated against the military's role in politics and burned an effigy clad in military fatigues.



Pakistan's captain, Wasim Akram, left, and India's Mohammad Azharuddin, shaking hands after the toss on the cricket pitch Thursday.

Now, Cricket Diplomacy India and Pakistan in First Series in Years

Reuters

MADRAS, India — Mounted police and paramilitary troops stood guard on Thursday as India and Pakistan began their first test cricket series on Indian soil in more than a decade.

The match has been overshadowed by threats from Hindu extremists, but the mood eased last week after the Shiv Sena Party withdrew its vow to disrupt the tour.

And on Thursday, the rivalry was good-natured as fans lined up to get past metal detectors for the inaugural three-day match at Chidambaram Stadium.

Pakistan had 238 runs, and India then went to bat. The match will resume Friday.

More than 3,000 policemen and 600 reservists were deployed around the stadium and inside the 14 stands, said a senior police official who asked not to be identified. "We expect absolutely no trouble," he added.

The government of the southern Indian state of Tamil Nadu, where Madras is situated, declared Thursday a public holiday.

At least 25,000 tickets were sold for the first test match, stadium authorities said.

The sites of the two-test series were changed after Shiv Sena activists dug up the Delhi cricket pitch, forcing the first test to move to Madras.

Shiv Sena has blocked Pakistani cricketers at least twice in the last de-

cade with threats, saying that the two countries should not be playing cricket while Indian soldiers die in clashes at the border with Pakistan.

But authorities in the two countries, believing that sporting links can improve relations, came together to put pressure on Shiv Sena last week to withdraw its threat.

Pakistan won one test and the four other tests were drawn in 1987 during an Indian tour. India and Pakistan last played each other in test matches in 1989 and 1990 in Pakistan, when all four tests were drawn.

That last tour coincided with the start of a rebellion against Indian rule in Kashmir, the Himalayan valley over which the two countries have fought two wars since 1947, the year when they won independence from Britain, the home of cricket.

In the latest clashes, India said Wednesday that five Pakistani soldiers had been killed in a border clash at the Siachen glacier in the disputed region.

Conflict aside, cricket is played and followed with passion on both sides of the border.

"The pressure is totally different," the Times of India quoted the Pakistani captain, Wasim Akram, as having said about playing India. "It's more than a game here. When you win, you are up there. When you lose, you are down there."

"So when we go back, that's the way we are treated."

BRIEFLY

No Hostages in Philippines

MANILA — President Joseph Estrada said Thursday that the situation in the southern Mindanao region was under control and that reports that Muslim rebels had taken schoolchildren and teachers hostage were false.

"There are soldiers in the school," Mr. Estrada said in Manila after local radio stations reported that scores of students and teachers had been taken hostage in the school near Cotabato City on Mindanao, about 900 kilometers (560 miles) south of Manila. He said the students had taken refuge in the building after an exchange of fire between soldiers and the rebels.

There were conflicting reports that troops and rebels were still facing off in the area although the fighting appeared to have died down, military sources said.

The clash came despite a new cease-fire agreed to by the government and the Moro Islamic Liberation Force, the main group fighting for an independent Muslim homeland in the south.

There were no reports of casualties. (Reuters)

India Sets Slaying Inquiry

NEW DELHI — India's cabinet decided Thurs-

day to set up a commission of inquiry to investigate the weekend murder of an Australian Christian missionary and his two sons, officials said.

Defense Minister George Fernandes said the decision was made after he and two other ministers visited the eastern state of Orissa, where the missionary, Graham Staines, and his two sons were burned to death on Saturday as they slept in their jeep.

The investigating commission will be headed by a sitting supreme court judge. Mr. Staines had spent years in remote areas helping lepers and the poor. (Reuters)

Taipei Affirms Skopje Tie

TAIPEI — Taiwan insisted on Thursday that new diplomatic ties with Macedonia were firm despite confusion in the Balkan country over whether its government recognized Taipei or Beijing.

Taiwan's foreign minister, Jason Hu, and his Macedonian counterpart, Alexander Dimitrov, signed a pact on relations in Taipei on Wednesday, but Macedonia's president, Kiro Gligorov, later called the deal "a surprise."

Mr. Gligorov met Wednesday with China's ambassador in the capital, Skopje, and said that Macedonia still recognized Beijing as "the only legitimate representative of the Chinese people." (AP)

Seoul Students Want U.S. Out

SEOUL — Hundreds of militant students, shouting for the withdrawal of U.S. troops from South Korea, staged violent protests in Seoul and three other cities Thursday, the police and news reports said.

Several students were reported injured but none of them seriously.

Protests in Seoul turned violent when 600 students, throwing rocks, clashed with the police. They burned a U.S. flag and an effigy of President Bill Clinton. One student was slightly injured in the capital. (AP)

For the Record

Two North Korean defectors arrived in Seoul separately on Thursday to seek political asylum. South Korea's intelligence agency and state radio said, bringing the number of such defectors this month to 17. (Reuters)

Seeking to halt a flu outbreak that has claimed a reported 25 lives this month, Japan's Ministry of Health and Welfare is warning nursing homes to begin vaccinating residents against the virus, a ministry official Thursday. (AP)

EDITORIALS/OPINION

Herald Tribune

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Horror in Sierra Leone

Less than a year ago, Bill Clinton was in Africa vowing "Never again." The "international community" had failed in Rwanda, he admitted. It had not intervened to stop a bloodletting of unimaginable savagery. But it had learned a lesson. President Clinton promised "to increase our vigilance and strengthen our stand against those who would commit such atrocities in the future." He said that "each bloodletting hastens the next — as the value of human life is degraded and violence becomes tolerated, the unimaginable becomes more conceivable." Now, in Sierra Leone, the unimaginable is again taking place, and the United States again is doing less than it could.

We do not know the scope of killing and maiming going on, because most diplomats have been evacuated and most contact has been cut off. But enough courageous relief workers and journalists remain to give some sense of the horror. We know that a rebel force is systematically chopping off the hands of men, women, boys and girls whom it captures. We know that tens of thousands have been killed, hundreds of thousands displaced. We know that in one soccer stadium alone in the capital of Freetown some 50,000 have taken refuge, short of food, vulnerable to disease.

The rationalizations for inaction are predictable. This is not a Rwanda-style genocide, after all, in which a million or more were killed in the space of

three months. The rebel force is a vicious, nonideological group of thugs — hard to negotiate with. The United States has provided humanitarian aid. And America cannot solve every problem in the world.

All true — yet not very convincing. Between sending the U.S. Marines and doing nothing there are many intermediate perches that the United States could occupy. So far, with respect to Sierra Leone, it remains too close to the doing-nothing end of the spectrum.

Here is one example. The only thing that stands between Sierra Leone's civilians and the savage rebel force is an alliance of West African troops led by Nigeria. Since its ill-fated intervention in Somalia, the United States has encouraged precisely this kind of solution, Africans helping Africans. Yet this is not an easy mission for the Nigerians, with economic troubles of their own and a continuing democratization process that will lead to pressures to withdraw troops from foreign entanglements.

They cannot possibly do the job without sustained financial, logistical and political support from the United States. And how much has the United States budgeted to support the force this year? A laughable \$1.3 million.

"We cannot change the past," Mr. Clinton eloquently said in Rwanda. "We can move more quickly to minimize the horror."

— THE WASHINGTON POST.

Jordan's Next King

It was a moment of potentially great consequence in the Middle East. A week after returning home, King Hussein of Jordan unexpectedly flew back to the Mayo Clinic for treatment of a recurrence of cancer. Just before departing he overruled long-established succession plans and named his eldest son, Prince Abdullah, as crown prince and heir to the throne. The change relegated Prince Hassan, the king's younger brother and long-standing heir apparent, to a lesser role and exposed a bitter family quarrel that could resurface after the king's death.

King Hussein, senior statesman of the Arab world and Jordan's ruler since 1952, has played an exceptional role in reducing Middle East tensions. Future stability and peace in the region will rest in no small measure on a smooth succession and on whether Crown Prince Abdullah demonstrates the same commitment to reconciliation as his father.

Through secret contacts with Israeli leaders in the early 1970s, King Hussein opened the first diplomatic communications between Israel and the Arab world. By renouncing Jordan's claims to the West Bank in the 1980s, he helped make possible the Oslo peace agreements between Israel and the Palestinians. In 1994, Jordan became the second Arab country to sign a peace treaty with Israel.

Since then the king has intervened at critical moments, most recently by leaving his sickbed last October to help President Bill Clinton rescue stalemate summit talks between Ben-

jamin Netanyahu and Yasser Arafat. Ruling Jordan would challenge any leader. The country was artificially created by the British Empire, lacks natural resources and is divided between a native Bedouin minority and a restless Palestinian majority. In recent years its economy has been hurt by sanctions against Iraq, formerly its leading trading partner. The king's personal strengths have held the country together.

Prince Hassan is an aloof intellectual who inspired little affection among ordinary Jordanians or politically important army officers. He unwisely distanced himself from Jordanians of Palestinian origin while King Hussein preached reconciliation. He infuriated the king by acting as though the throne were already his and maneuvering to insert his own son into the line of succession. This prompted a sharp royal letter of rebuke made public this week.

Crown Prince Abdullah is popular in the army, where he has spent his career, and has traveled internationally on his father's behalf. He is 36, has a Palestinian wife, but is rooted in a political world in which any stumble could fracture Jordan's internal stability.

If Israel and the Palestinians can complete the peace they have begun, the violent conflicts that have shaped the region for so long may subside. While he has the strength, King Hussein can help lead his neighbors to that goal. Then it will be Prince Abdullah's responsibility.

— THE NEW YORK TIMES.

Other Comment

Cure for 'Hyperdemocracy'

At all levels of government, the political culture of hyperdemocracy encourages citizens to behave like spoiled children, demanding that government "meet my needs," and alternating between sullen withdrawal and boisterous whining.

And like angry children who nonetheless never doubt that their mother will always be there to ultimately set things right, Americans, at the same time that they exhibit an almost pathological cynicism about the political processes by which they govern themselves, generally express immense, not to say blind faith in their nation's future and in its standing as a democratic model for the world.

In short, they naively trust in the ultimate unimportance of their distrust — that when things get bad enough, the system somehow will automatically right itself, presumably through the efforts of other people, who do not share their cynicism. But the ills of hyperdemocracy are not self-limiting or self-correcting. Things can keep getting from bad to worse. And, as concerns the quality of the public discussion that is so basic to democracy, things have been

getting worse for some time now. To tame hyperdemocracy, we must drastically reduce the influence of public opinion at its shallowest, and the way to do that is to pay a lot more attention to public opinion at its most thoughtful.

— From "Hyperdemocracy," by the political scientist Hugh Heclo, in the Winter 1999 issue of the Wilson Quarterly.

Independence for Timor

The announcement by Indonesia's foreign minister that his government is preparing to offer independence to East Timor, the territory Indonesia invaded in 1975 and annexed in 1976, comes as a welcome sign that the long nightmare of the Timorese people may be about to end.

Indonesia's occupation of East Timor has taken a terrible toll. Human rights groups estimate that 200,000 people were killed — more than a quarter of the indigenous population. If Indonesia is sincere in its new willingness to allow the Timorese to choose independence, their change of heart reflects a timely appreciation of diplomatic and economic realities.

— The Boston Globe.

Watch Out, Everyone, Russia Is Still on the Brink

By Flora Lewis

PARIS — Winston Churchill's description of Russia as a "riddle wrapped in a mystery in an enigma" was a reference to the total obsessive secrecy of Stalin's regime. That has all gone. The country has been opened, including whole cities that were hidden and lots of archives. Travel to and from it is no problem. But today's Russia remains a dilemma.

It is a crucial uncertainty, perhaps the most important in determining how world affairs are going to evolve in coming years. No one informed pretends to see clearly how Russia will be governed nor the role it will play, but the role is sure to be significant.

The countries of Eastern Europe are moving now more or less smoothly, more or less successfully, through their transition from Communist authoritarian rule to market-based liberal democracies. It has been harder than anticipated, by no means the simple explosion of liberated energy that dissidents once dreamed about. But the direction is clear and the goal well enough defined: to be a comfortable, secure member of Europe and the Western world.

Nothing is that clear in Russia. Start with Boris Yeltsin's health, an impending disaster for years now, but he is still

there. "He is one of those Russians born with the sturdy health of an ox and he's been working all his life to destroy it, but he still hasn't made it," a Russian writer said of him.

Yevgeni Primakov, former KGB chief and foreign minister, is in charge as kind of caretaker prime minister, but he dare not appear too eager to succeed to the presidency or he risks being dumped as his predecessors were.

The economy is awful. Top officials keep announcing that the decline has bottomed out, that growth has begun at last, and the figures still go down. Muscovites joke: "We learned that everything they told us about communism was a lie. Now we learn that everything they said about capitalism is true."

An elaborate but shadowy game is going on to prepare for a presidential election, but lines of allegiance are crossed and unreliable. Districts and provinces strike out with their own programs in the absence of effective central support. The federal government seems to reenter between insolvency, for lack of revenue collection, and the temptation of hyperinflation to produce enough worthless rubles to go around.

Foreign policy focuses on regaining influence in the "near abroad," among former Soviet republics, maintaining the status of a global power wherever possible, and getting on with but also opposing the United States.

The consensus of experts is that Russia could still go any way — democratic or dictatorial, with a fascist rather than Communist coloration; a cooperative peacemaker in helping deal with turbulent parts of the world (Bosnia and Kosovo, maybe even Iraq), or a vengeful expansionist seeking to live by arms; a source of great new cultural flowering or of terrible brutality.

The historical comparison is Weimar, the reference to the ill-fated post-World War I German republic whose constitution was written in the picturesque city of Goethe and Schiller. The vindictive Versailles treaty, the worldwide spread of economic collapse for lack of sound political management, the fear of communism among conspiring barons of capitalism are customarily given as reasons for Weimar's failure and the rise of Hitler. But it was in any case a frail structure, given to illusion and disingenuous of hostile intrigues.

Russia could become Weimar. This is a frightening thought because of the sequel, but it is not at all inevitable.

James Billington, librarian of Congress and an eminent American expert on Russia, is convinced that the spirit, the resources, the will exist to enable Russia to develop into a stable, healthy democracy. But neither is that inevitable. Remembering how important such contacts were in the transformation of the United States for some firsthand experience in how to administer a democracy. Others could be sent to Western Europe. He feels that such a program is urgent, that it could have early and widespread effect as people throughout the provinces are obliged to grapple with making their society work.

Russia is not a defeated country, and it is not an occupied country. The German parallel must be recognized as very limited. But the people are suffering and bewildered. The leaders who have emerged so far have been unable to organize, inspire, produce. Nobody can do it for them, but they need help from what their own bright youth can learn out in the world. No doubt that is not enough, but Russia's future will affect all of us so much that nothing useful and feasible should be left undone.

Flora Lewis

The Euro in the West Is Fine, but Europe Is More Than 'Euroland'

By Daniel Tarschys

STRASBOURG — It has been a flying start for Europe's new currency. The euro is invisible yet omnipresent, nowhere and everywhere, already widely represented on bills and price tags but not yet figuring as coins or banknotes.

For the next two years, "Eurolanders" will learn to think and count in their new currency before they are actually allowed to hold it in their hands and let it slip through their fingers. Its mental presence will be ever more dense until it ultimately solidifies into physical presence.

Thought before adieu — that is the normal process of European unification. Unique in this case, however, is the scale of the mental dry swim, hundreds of millions of people in simultaneous practice.

The euro is a magnificent achievement. But "thinking Europe" must not be confined to economic matters or to the 11 states of Euroland.

The European project is much greater: turning an old

battlefield of hostile armies, a cold porridge of quarreling neighbors, into a decent and civilized place, a common European home.

The Council of Europe, deeply engaged in "thinking Europe" for half a century, has always insisted on the wider and deeper dimensions of our cooperation. Emphasizing human rights, democracy and the rule of law, it has focused on the ethical, moral, spiritual, cultural and social aspects of European unification.

These objectives are important in themselves, but in the long run they are also decisive for material well-being. The market economy functions well only if it is embedded in a decent society, in a civic and civilized community, in a culture of trust and common understanding.

That is why narrow perspectives are so dangerous even from an economic point of view. Recent developments in Eastern Europe serve as painful reminders

about the need for legal, institutional, educational and cultural perspectives in the transition process.

In the concert of European organizations, the Council of Europe has a particular responsibility to defend the common values and the wide horizons of the European project.

Narrow geographical perspectives must be avoided. When William Penn proposed the creation of a European Assembly in 1693, he insisted on the inclusion of the Ottoman Empire and the Principality of Muscovy as crucial for European security. Security remains one of several reasons why the peoples in the eastern part of the Continent have an important role to play in European cooperation.

In the 1990s, the countries freed from Communist oppression have set out to build stable and prosperous democracies. Sixteen of them have now joined the Council of Europe. Many of these countries have a

long way to go to make up for the waste and mismanagement of their past. This requires joint efforts and multidimensional approaches.

Recently, 10 "wise persons" under the leadership of former Portuguese President Mario Soares reaffirmed the need for a strong Council of Europe. Their report was aptly called "Building a Greater Europe Without Dividing Lines." After the fall of the Iron Curtain, we have now a unique chance to pursue this objective. But will we seize it?

The risks of new barriers are quite real and may be aggravated if the process of EU enlargement fails to take the wider European context into account. This calls for particular attention to the bodies involved in a more broadly inclusive cooperation, not only the Council of Europe but also the Organization for Security and Cooperation in Europe, the Economic Commission for Europe and some external programs of the European Union.

To avoid exclusion, we must

intensify wider European cooperation for the consolidation of democracy and the protection of human rights, including the combat against racism and intolerance and the protection of national minorities.

Common approaches and common legal standards are needed in many fields, not least in those related to the fight against organized crime, drug trafficking and corruption.

In 1997, the Strasbourg summit of the Council of Europe adopted an ambitious agenda in this spirit. Although some first steps have been taken to carry it out, the real will to seize the new opportunities for wider European cooperation remains insufficient.

This won't do. The launching of the common currency is worth all the celebration it has attracted, but it must not limit our horizons. Europe is more than Euroland.

The writer, secretary-general of the Council of Europe, contributed this comment to the International Herald Tribune.

Asian Countries Need a New Mind-Set to End the Crisis

By Ho Kwon Ping

SINGAPORE — How did we get into the economic crisis in Asia that has destroyed the jobs and hopes of millions? The simple, perhaps facile explanation is that hubris brought the region down.

Arrogant pride meant that we started to believe our own propaganda. Where the Asian Miracle was once just a journalist's catchy phrase, it soon became an excuse for all kinds of excesses, including the worst sin, KKN.

The Indonesian initials for corruption, cronyism and nepotism, KKN represents the darker side of the so-called Asian values that created the boom years. It was the bellow rot at the core of a false economic boom.

We now know that KKN was a cancer eating at the heart of several Asian societies, but while everyone was benefiting from it, no one wanted to rock the boat. Corruption was given a respectable euphemism —

guan xi, the Chinese word for "connections" — and everyone went back to playing the game. The recession can be an opportunity for us to clean house and start afresh.

But there are several mind-set changes that all new-generation businessmen must make. First, they must participate in political life. The past year has proved that the saying about politics being too important to leave to politicians is all too true. Inept, self-interested and corrupt politicians destroyed the lives of millions of people. For young business leaders in Thailand, Malaysia, Indonesia and elsewhere, enlightened self-interest must mean involvement in political change.

Where previously business leaders' only involvement in politics was lobbying for their own projects, they should now participate actively in political

life, not necessarily by becoming politicians but by demanding good governance from leaders. Those businessmen who did not benefit from cronyism, and they are the overwhelming majority, should demand an end to KKN.

Asia's rising generation should push for new mind-sets about the relationship between business and governance, new standards of conduct, and new visions of social, economic and political development. Such visions cannot be imposed from outside, like the failed austerity measures from the International Monetary Fund. They can only succeed if Asian businessmen, trade unionists, students and teachers all demand it.

Second, good governance must be defined, with standards set, and made into the new Asian political philosophy. The up-and-coming Asian generation cannot just demand vaguely

idealistic economic reforms, shrouded in slogans like "reformism," which student and opposition activists chant in the streets of Indonesia and Malaysia. Neither can it just copy the formal trappings of Western-style democracy, whether they are appropriate or not in a particular setting. We must go beyond the form and into the substance of good governance.

Singapore, in its preoccupation, some would say its near obsession, with self-analysis, self-improvement and social engineering, may be an example for Asia — not an example to follow, but one from which to extract lessons. While its system of governance is not without detractors, virtually everyone, including its foreign critics, agrees that Singapore's way of governance has enabled it to emerge relatively unscathed from this crisis.

The Singapore way is not a universal model for others to follow, because it is the result of pragmatic adaptation and continual improvements to its own historical context. But the lesson for others is in the objective: a relatively transparent, accountable government where the social contract between the leadership and people is genuinely strong, and social cohesion has increased rather than been weakened by the crisis.

Asia's intellectuals, students and business and cultural leaders should decide that good governance, which includes concepts like accountability, transparency and incorruptibility, must be turned into measurable standards.

For Asia's rising generation, the passing of the baton of leadership is a curse as much as a challenge. The curse is that we may not learn from history and will be doomed to repeat the same mistakes that today we claim we will never make again. The challenge is to build new structures of governance, civil society and, indeed, Asian values, which will be lasting in their basic principles.

We must carefully pick our own independent path through the debris, dusting off and restoring those truths that guided our progress in the past, while discarding those remnants of a hypocritical tradition which contributed to our downfall.

Asia must resurrect itself. But on its own terms and from its own foundations, not from the sometimes facile observations and criticisms of foreign intellectuals. We must be unrelentingly self-critical — yet not lose our self-confidence.

The writer heads several Singapore-based companies. This comment was adopted by the International Herald Tribune from a recent speech to the ASEAN Tourism Forum.

We Could Have Saved Rwandans

By Nat Hentoff

WASHINGTON — In 1994 in Rwanda, nearly a million Tutsi were massacred by Hutu in about 100 days. The horror of this holocaust, and the ways in which it could have been prevented by the United Nations and the administration, have been realized only in fragments.

Last year came a powerfully detailed book by Philip Gourevitch, "We Wish to Inform You That Tomorrow We Will Be Killed With Our Families." He disclosed the role of Madeleine Albright, who was U.S. ambassador to the United Nations during that tornado of killings: "Ducking and pressing others to duck, as the death toll leapt from thousands to tens of thousands, was the absolute low point in her career as a stateswoman."

Also not substantively reported at the time was the complicity of UN leaders in these killings. UN officials knew months before the April 1994 genocide of plans for those ethnic massacres, but no meaningful preventive action was taken.

A vivid and revealing report on how this genocide could have been prevented, or at least cut short, was seen in America in the PBS series

"Frontline" on Tuesday. This particular program started with the BBC, but "Frontline" added new material focusing on the American refusal to intervene.

On camera, Mr. Gourevitch said the Clinton administration's approach "throughout the entire period" was not a failure to intervene but the "success of a policy not to intervene."

James Woods, deputy assistant secretary at the Defense Department from 1986 to 1994, added that he was asked, in 1993, to list possible serious crises that the administration might face. He placed Rwanda on that list, but higher authorities told him to take it off because American interests were not involved.

At the end of April 1994, a State Department secret intelligence report called the killings genocide. But Tony Marley, then a consultant at the State Department, said on "Frontline" that a Clinton administration official cautioned that in the coming congressional elections the Democrats could lose votes if Bill Clinton admitted that

"genocide was taking place in Rwanda and yet he said to do nothing about it." A year before, 18 American soldiers had been killed in Somalia.

Mr. Marley at one point recommended that American military radio equipment could at least be used to jam Rwandan radio transmissions, urging that all Tutsi be killed, but a lawyer from the Pentagon insisted that such a move would violate the First Amendment.

At the United Nations, Kofi Annan, then in charge of peacekeeping missions, was told before the killings started that UN forces would be able to seize weapons, but he refused. The country was overflowing with corpses, but UN Ambassador Albright postponed a Security Council vote on the genocide.

In March 1998, in the Rwandan capital of Kigali, President Clinton apologized for not having "fully appreciated" — this unimaginable terror. But essentially, the lesson of Rwanda is that "endangered people who depend on the international community for physical protection stand defenseless."

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Liberal Duchy

BERLIN — The Duchy of Brunswick publishes a communiqué from the Government repudiating insinuations on the subject of the annexation, pure and simple, of the duchy by Prussia. Something serious must be going on behind the scenes to make the government of Brunswick thus publicly defend the independence of the duchy.

1924: Trust Bust

WASHINGTON — The Federal Trade Commission has received complaints of a monopoly in radio apparatus making and broadcasting, in restraint of trade, against the Radio Corporation of America, the General Electric Company, the American Telephone and Telegraph Company, the Westinghouse Company, the Western Electric Company, the Interna-

tional Radio, the United Fruit and Wireless Specialties concerns. The complaint alleges that the patents of these organizations have been pooled to restrict trading and charges that they have acquired all transoceanic communications and have refused all other devices for such services.

1949: New Council

LONDON — Foreign Ministers of the five Western European Union powers, who form the consultative council of the five-power Brussels treaty, announced agreement on proposals for establishing a ministerial Council of Europe and a consultative body, which would serve as a Parliament without legislative powers. Other European countries, which were not specified, will be invited to participate in the negotiations for the establishment of the Council of Europe.

Europe Is No S
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B. William N...

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OPINION/LETTERS

Europe Is No Slacker In the Art of Scandal

By William Safire

LONDON — Americans are afflicted with the notion that we should be embarrassed by the Clinton impeachment follies.

We think that sophisticated Europe is going to sit at our seeming constitutional instability and risk-ask at our obsession with what Dale Gribble brushed off as a mere "sex scandal."

Cut the blushing. Eurocorruption is busting out all over. Never have so many taken so much so blatantly.

Here in Britain, Prime Minister Tony Blair's eminence grise, a smooth manipulator of public opinion named Peter Mandelson, was found to have secretly taken a half-million-dollar loan, before the election, from a member of Parliament who then became a cabinet minister and came under investigation by Mr. Mandelson's department.

This illicit arrangement, giving new meaning to what is known here as "the third way," caused much red-faced New Labour bumbling and spun the spinmeister out of his job.

In Brussels, a score of the faceless commissioners of the European Union were nearly sacked when an anti-fraud squad of the European Parliament found cronism and evidence of rigged bids and embezzlement rampant in the management of bu-

manitarian funds. Sticky-fingered bureaucrats who believed that humanitarianism began at home may soon face a new force: an independent counsel.

And bow about that money-grubbing International Olympic Committee? A new gold medal for kickbacks has been struck at IOC headquarters in Lausanne. Competition in the 500-meter shakedown was discovered in Salt Lake City and spread to Sydney, and to Nagano, Japan, where records of the corrupt bidding were consigned to the flames.

Ringleader of the five Olympic rings is Juan Antonio Samaranch, who built the Olympics into a billion-dollar business. As investigators in sucker cities close in on the center of extortion, this grumpy geezer maintains he was merely blind to the high living of his age.

Urgently needed is a high-integrity replacement unbought to the old regime, such as Sir Roger Bannister, the eminent neurologist, who in his youth was first to break the four-minute mile.

Even when they're not venal, Europe's honchos of bupris are making history. The judge who cast the swing vote to turn over General Augusto Pinochet to Spanish prosecutors turns out to have had a whopping conflict of interest: Lord Hoffmann



failed to reveal his longtime association with Amnesty International, an active party in the case.

For the first time in the long history of the Law Lords, a decision was scrapped and a new panel appointed. This has flipped more than a few wigs.

However, sexually enlightened France's entry in the 'Kickback Olympics' puzzles Americans.

The head of France's independent Constitutional Council is roughly equivalent to the chief justice of the United States. Roland Dumas, 76, a former foreign minister and a man of great dignity, is the subject of a book by a former friend, the lobbyist Christine Deviers-

Joncour, entitled "The Whore of the Republic."

Mrs. Deviers-Joncour told investigators she was paid \$11 million by the French oil giant Elf Aquitaine to use her connection with Mr. Dumas, then foreign minister, to drop his opposition to a sale of six warships to Taiwan.

The sale, worth \$2.7 billion, went through. Mr. Dumas says he has a clear conscience and "will continue in all serenity" to preside over French justice.

He is less serene about the pictures in bathing suits with Mrs. Deviers-Joncour on a beach near the oil fields, published by the gossip Paris Match. The investigation has just been concluded and France is holding its breath.

'No Man Is an Island, Entire of Itself,' Except When It Comes to the Senate

By Richard Cohen

WASHINGTON — The Senate trial of President Bill Clinton makes me think of the great Japanese film "The Island." It concerned a farm family that lived on an island and whose daily routine was mostly devoted to the fetching of water from the mainland. Their life was tedious, arduous, sometimes tragic, and always engrossing.

At the end of the film, though, the camera zoomed up and off the island, revealing it to be not a universe, but a speck in the water — a mere nothing of no account to anyone.

It is the same with the Senate trial. When it is in progress, it is occasionally possible to

on a trek to nowhere. They demanded witnesses, first many and then only three. One is Sidney Blumenthal. Mr. Clinton lied to him when he denied having an affair with Ms. Lewinsky and, furthermore, characterized the young intern as a stalker.

So what? Did the House managers expect Mr. Clinton to tell Mr. Blumenthal the truth — Mr. Blumenthal above all others? Not Hillary Rodham Clinton. Not the American people. Not the lawyers at the deposition or the grand jurors at the courthouse. None of these. Just Sidney Blumenthal, whose special relationship is not with Mr. Clinton but with the first lady. What is the purpose of this?

The managers also asked for Vernon Jordan, the president's close friend and an accomplished Washington lawyer who tried to find Ms. Lewinsky a job. Mr. Jordan has already testified five times before the grand jury, each time maintaining he did not know Mr. Clinton and Ms. Lewinsky were once sexually involved. Ms. Lewinsky hailed from Beverly Hills. She had a college degree and credit cards. He helped her anyway — a touching concern for the privileged. In reality, he has always been accused of the implied crime of being too smart to be that dumb.

And the third on the list is Ms. Lewinsky herself. Why? What more can she add? We know her story. The managers seem to think we do not, that it will be news to us (and the Senate) that Mr. Clinton and Ms. Lewinsky were getting it on in the Oval Office and that, afterwards, he conspired with her to cover it all up. Yes, yes, Mister Managers, we know who this president is. But being a low life is not a high crime.

Missing from the list was Betty Currie. Why? She figured in the most preposterous aspects of the president's tale. We are supposed to believe Mrs. Currie took it on her own to retrieve Mr. Clinton's gifts to Ms. Lewinsky. We are supposed to believe that she stashed these gifts and that, I guess, her husband, Bob, did not ask what a Black Dog T-shirt and a volume of "Leaves of Grass" were doing under the bed. That's no place to read Walt Whitman.

We are also supposed to believe that she really was called in one Sunday to refresh the president's memory — a coals to Newcastle task comparable only to refreshing his libido. The president had her confirm one lie after another: I was never alone with her, right? The moon is blue, right? It was his most despicable performance — the abuse of a loyal subordinate.

The country has tuned out. The trial is called historic, but it is merely blessedly rare. It proceeds in its own sphere, an epic irrelevance that seems only to underscore the remove of the government from the governed. John Doane wrote that no man is an island, but the Senate surely is, lost, drifting and hidden in a fog of its own making.

MEANWHILE

become engrossed, to believe that all those people — the chief justice in his doorman's stripes, the grandiloquently titled Mister Managers — must be doing something.

But a moment away from the proceedings — a recess, an interruption — reveals this to be like the island in the movie, utterly tedious and removed. Not from a mainland, but from reality itself. The Senate is in a zone of its own making.

From time to time, for instance, someone named Mister Manager Hyde tells the Senate that the prosecutors from the House of Representatives really have a good case against the president.

This, of course, is not news. We all know that Mr. Clinton had a sexual relationship with Monica Lewinsky, that he lied about it — to his family, to his friends, to the people and under oath to Paula Jones's lawyers and Kenneth Starr's grand jury. Henry Hyde and his colleagues seem to be the only ones in America who think that they have to prove any of this.

Mr. Clinton is guilty of all this, but not of an impeachable offense.

No matter. The House managers irrationally plod on. They are like a group of madmen

LETTERS TO THE EDITOR

Attacking Germ Terrorism

Regarding "Clinton Sees Threat of Germ Terrorism" (Jan. 23):

As frightening as it is to admit, there is no real defense against unconventional arms. Easy to make and easy to hide, they are simply part of our world. The proper response to this, reality, however, is not to turn America into a technological surveillance state. Nor is it productive to rattle the saber of "disproportionate response" in the faces of governments that may have no connection to individual terrorists.

Constructive ways to mitigate the threat of these weapons include elim-

inating America's own vast stockpile as well as restraining from foreign-policy ventures that only inflame hatred of the United States. While these solutions may not be palatable to many in Washington, they are the only real alternatives to a policy that amounts to attacking a hornet's nest with a baseball bat.

ALEXANDER ZAITCHIK
Prague.

Future of Social Security

Social Security funds should not be invested in the stock market. The in-

herent structure of the stock market is that of a "zero-sum game," meaning that for every winner, there is a loser. For every buyer, there is a seller. When more people want to buy than sell, stock prices go up.

This is the current situation as the "baby boomers" reach the peak of their earning power and have money to invest. But, guess what will happen when the Baby Boomers retire? They will be taking more money out of the market. There will then be more sellers than buyers, and stock prices will drop.

BRUCE JOFFE
Piedmont, California.

Elio Kazan's Oscar

Regarding "Elio Kazan Deserves Oscar for Talent and Integrity" (Opinion, Jan. 27) by Richard Cohen:

I agree that Elio Kazan's films justify an Oscar, but in real life the cowardly Mr. Kazan denounced his idealistic friends through self-righteous opportunism. I prefer the movies.

DAVID WASSERMAN
Rognes, France.

Impeachment Blackout

You report that Americans all agree they want the Monica Lewinsky scan-

dal to be over. Non-American resident aliens share this wish. These days I find myself clutching my shortwave radio and excitedly moving the dial to catch some foreign news, any foreign news. Just as during the darkest communist times in my native Poland when we relied on Radio Free Europe to circumvent a total blackout of outside news, so, too, it is now possible to tune in to foreign broadcasts for impeachment-free news.

ANNA HUSARSKA
New York.

The writer is a fellow of the Media Studies Center.

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Heights of Guatemala: Ruins and Volcanoes

By Frank Bruni
New York Times Service

GUATEMALA CITY. Guatemala — I had brushed away a thin black dust that kept settling on the pages of the novel I was reading at least three times before I took conscious note of it and began looking around for its source. I was baffled. There were few trees near the pool deck where I was sitting; there was no construction under way. Just row upon row of splendidly lush hills, rising to the snub-nosed peaks of some of Guatemala's trademark volcanoes.

Volcanoes? Could it be? I wiped off another layer of ash and, in my mangled Spanish, asked one of the hotel workers.

"Pacaya," he said with a naughty smile. "Boom." Pacaya was one of the volcanoes I could not see, the summit nearest to Guatemala City, some 30 miles away, and it had indeed gone boom.

The eruption was modest — no lava, no loss of lives — but potent enough to scatter debris all the way to my hotel in the mountain town of Antigua. It temporarily closed the airport in Guatemala City and forced the cancellation of my return flight to New York, stranding me in Guatemala for 24 hours longer than I had planned to stay. And it underscored my entire experience of what is arguably Central America's most exotic country, a place that continually provided surprises — by turns exhilarating and debilitating, awe-inspiring and crazy-making.

In a relatively inexpensive, unhurried eight days — nine with the unexpected eruption — we managed to see the Maya temples in Tikal National Park near the Mexican border, the mountain-ripped idyll of Lake Atitlan, the bustling native market in the highland village of Chichicastenango and the colonial town of Antigua — formerly Antigua Guatemala — with its narrow cobblestone streets and boutiques brimming with jade, religious ornaments and handmade textiles.

A SUPPLY OF PATIENCE But we also learned that Guatemala is not easy, that tourists who head there need to pack an ample supply of patience before they depart. Ricketty, sluggish trucks clog the two-lane, serpentine, generously named highways that connect various cities and villages; what should be a one-hour drive can easily expand into three, and road signs in some areas are obscure or nonexistent. The changeable weather makes it difficult to choose the right time or day to ascend a volcano or rent a boat.

Then there is the crime, or at least the fear of it. Although Guatemala is no longer plagued by the political instability of 5 or 10 years ago, it remains an impoverished country in which wealthy foreign tourists are conspicuous and, according to some travel guides and the U.S. State Department, ready prey. Tourists have been robbed, assaulted and, in the widely publicized case of five American college students traveling in a group from Maryland last year, raped.

My experience and those of other tourists with whom I spoke suggested that this threat was overblown, but it nonetheless restricts the movements of any cautious traveler.

On our first full day, we took, for about \$200 each, a daylong trip to Tikal National Park that included round-trip airfare for the 45-minute flight from Guatemala City to the small northern city of Flores, transportation between the Flores airport and the park and a guide for exploration of the Maya ruins, scattered throughout a dense jungle inhabited by rare birds and spider monkeys. We saw our first monkey no more than a few yards down the footpath into the park.

The astonishingly intact ruins, mostly dating from around A.D. 700, are spread out over several square miles that also include some structures still being excavated, and they are a revelation, accessible to tourists in a way they would not be in a more developed country. The difference, I'm convinced, is liability. If these steeply graded stone temples, with jagged facades that resemble crude staircases, were situated in, say, the Arizona desert, they would undoubtedly be cordoned off. In Tikal, a visitor can climb to the top of each pyramidal structure, a hair-raising experience surpassed only by the trip back down. Going in that direction, we were forced to slither backward, bellies to stone, lest vertigo and utter panic overtake us.

We felt like fools, until our guide assured us that more intrepid tourists had met ghastly fates. He said that one American teenager took a furious tumble and broke a dozen bones. A German tourist intent on videotaping his descent lost control of more than his camera and ended up in a coma.

We heaved sighs of relief and reassured ourselves that no other activity on our trip would prove so nerve-wracking. We had yet to reach Lake Atitlan, where a volcano beckoned us toward its cloud-shrouded apex.

It is astonishing that the mention of Atitlan does not prompt the instant recognition among travelers that the names Tahoe or Como do, because Atitlan's beauty easily trumps that of more famous lakes. Atitlan lies about 5,100 feet (1,550 meters) above sea level, and the three volcanoes along its shores rise to peaks averaging about 10,000 feet. Moreover, the villages along the 50-square-mile lake are still inhabited by modern-day Mayas wearing traditional dress, kaleidoscopic garments shimmering with purple, orange and crimson threads.

But it took us nearly three hours by car to reach Atitlan from Guatemala City on the Pan-American Highway, and the natural wonder we encountered was less than lovingly maintained. Maya women use it as a laundry basin, and litter costs some of its shores.

Such was the legacy of our volcanic adventure. Heading travel books and advisories that warned of occasional robberies along hiking trails, we spent what was considered poor dollar — about 75 a piece — to hire a guide to take us across the lake and up the slopes of the volcano of San Pedro. This bought us passage in a crowded, dirty motorboat and then 15 minutes in the refuse-strewn bed of a pickup truck navigating

the bumpy gravel and dirt road from a squalid village to the trail head.

The climb itself was pure torture — the incline of the weed-tangled, rock-studded path was sometimes close to vertical — and after the first of the three and a half hours to the summit at 9,908 feet, any views were obscured by the dense tree cover. When we reached the top, our reward was sweat-soaked clothing, burning thighs, altitude-aggravated shortness of breath and an impenetrable fog that diminished visibility to about 75 feet. A Dutch couple whose curses had occasionally been audible from about 100 feet ahead of us on the trail lay inert on a mossy boulder, but they seemed to be breathing. At least, we thought, the hard part was over.

Then a veritable monsoon hit, turning the air frigid and the narrow trail into a treacherous mudslide. As we baby-stepped our way down in sneakers ill-suited for such conditions, my feet flew out from under me at least a dozen times; my sister tumbled repeatedly into thorny brambles. The blood from her scratches mingled with tears from her terror, prompting an epiphany. Never, she vowed, would she go on vacation with me again.

THE next morning, we awoke with sore throats, high temperatures and muscles so shredded we could barely get out of bed. Fortunately, we had a full day to recuperate before our next destination. Even more fortunately, that destination, after a brief stop in Chichicastenango, was the Casa Santo Domingo, a five-star hotel of nonpareil beauty in the relaxing and refined village of Antigua, Guatemala's colonial capital in the 16th, 17th and 18th centuries.

Casa Santo Domingo's labyrinth-like series of dark stone hallways and column-fringed courtyards ramble through the ruins of a 17th-century Dominican monastery, and the hotel's attentive caretakers evoke the sacred aura of the place with a multitude of religious statues and flickering candles that, at night, are pretty much the sole source of light except the tiny concrete pools that dot the public areas.

All of this, plus a room with a fireplace and terrace, cost about \$100 a night.

Antigua itself is a miracle of painstaking preservation, its buildings and streets little changed over the last 200 years. To wander through the center of the town, which has about 35,000 residents, is to encounter the remnants of convents, monasteries and elaborately sculptured churches built between the mid-1500s and the mid-1700s. The views of the surrounding volcanoes change as clouds gather, disperse and scumble from one horizon to the next.

Antigua also boasts craft stores tucked into quiet courtyards with ornate gardens, quaint bars and restaurants that offer sophisticated cuisine not easily found elsewhere in the country. We enjoyed a fine dinner at Meson Panza Verde, which serves its beef and pork dishes in rich sauces laced with Cognac and cream. With a bottle of wine from the extensive list, two people can stuff themselves for around \$70.



Ruins at Tikal National Park, most dating from around A.D. 700, are spread out over several square miles.

Costa Rica: The View From the Veranda

By Frances Frank Marcus

SAN JOSE, Costa Rica — A red dugout canoe floated on the calm aqua sea, orchids were blooming in the garden, large grapefruit and limes hung languorously in the orchard. And on a steep slope above, we glimpsed the edge of a deep green, mysterious Costa Rican rain forest. Nothing wrong with the view. But something was definitely amiss. A rather big something.

Surveying the vista from our room at the top of the stairs in a jungle lodge reachable only by boat, we could see the canoe, citrus trees and forest clearly for a good reason. On three sides, between the beaded board wainscoting and the roof, there was nothing but tropical sea air. Our room was almost without walls. My husband and I had known this in advance but even so, seeing it up close was disquieting. In any case, the space was now ours, and paid for in advance.

We set down three small pieces of luggage. Then there was a flutter of wings. A large toucan flapped straight toward us, stopping a few feet away in the branches of a tall water apple tree.

There was a reason for staying in a room that was half-porch at the top of the lodge operated by Rainbow Adventures-Costa Rica, in the southwestern part of the country near Panama. It is set in a 1,200-acre (480-hectare) rain forest, blessed with spectacular scenery and gorgeous birds. Here, we wanted to test an idea embraced by Alec Waugh, the English writer, who liked to size up unfamiliar territory from a veranda. Like him, we wanted to find out if we could see a respectable amount of jungle life from the edges.

"Either you are the explorer, who leaves no corner unexamined, who hurries from place to place collecting and codifying facts; or else you are the observer," Waugh wrote in "Hot Countries," his book about travels in the tropics. "Myself, I have always chosen to let life come to me."

Still, there were questions. The main one: How much of our third-floor room would we be sharing and with how many varieties of wildlife? Costa Rica is said to have 850 species of bird and more than 35,000 species of insect, including hordes of mosquitoes. We had learned that Rainbow's owner, Michael Medill, had not installed ceiling fans because they could annihilate hummingbirds.

Our trip to Rainbow Adventures began with a flight from

San Jose, Costa Rica's mountainous capital, in a two-engine plane 50 minutes southeast over the mountains to Puerto Jimenez, a village on the Golfo Dulce near the Pacific Ocean. We were headed for the Osa Peninsula and Lapu Lapu, an upscale jungle lodge, where the rooms were protected by mesh screens. Two mornings later we checked out and climbed into a four-wheel drive truck that would take us to Puerto Jimenez for the boat trip across the Golfo Dulce to our room without walls.

At Rainbow, built in a grassy clearing between the volcanic sand beach and the steep forested ridge, Brian Strehlow, a co-manager, wearing camp counselor shorts and T-shirt, was waiting as we stepped from the skiff onto rocks and splashed through tidal pools to reach the shore.

In our third-floor room at the top of the stairs, we walked into a hodgepodge of collectibles, panels of stained glass, small tables of Art Nouveau objects, several vases filled with bouquets of fresh flowers, faded prints on the wall and polished hardwood floors. Fine mesh mosquito netting shadowed the double bed.

Downstairs on the breezy veranda, a home-style lunch was delicious: fresh tamarind juice, a soft tamale with chicken and fresh vegetables and a salad of marinated cauliflower.

Energized by the tamarind juice, we decided to go for a walk with Brian, included in the daily rate for room and meals. On an easy trek wading up one of Rainbow's clear rocky streams we saw a green kingfisher in a wild avocado tree, beautiful fungi that looked like tiny white caps growing on tree limbs, and a plant species with an elephantine trunk.

But we saw nothing on our walk as beguiling as the frangipani tree in Rainbow's side garden, festooned with hanging clumps of pastel orchids growing in coconut husks — though the ylang-ylang tree with a languid yellow flower came close. Hummingbirds sipped from the bird-of-paradise-like blossoms of the heliconia plant. The tree sheltering a family of bats was less appealing.

After dinner that evening, we drifted outside to look for tree frogs and other creatures near the 48-foot nonchlorinated, spring-fed swimming pool, part of Rainbow's evening ritual. The frogs flatten themselves against green leaves until they are almost two-dimensional. There were plenty of frogs but no sign of the boa constrictor that had visited the pool area a few days before.

Night falls early in Costa Rican jungles, and so do bird-

watchers. By about 10 P.M. you crawl under the mosquito netting to wait for dawn, when you're awakened by silvery bird calls. Later the rain came down in torrents, but the room stayed dry, protected by the wide roof overhang. Beyond the buckets of rain that fell in the inky black, I was aware only of perfume from the ylang-ylang tree.

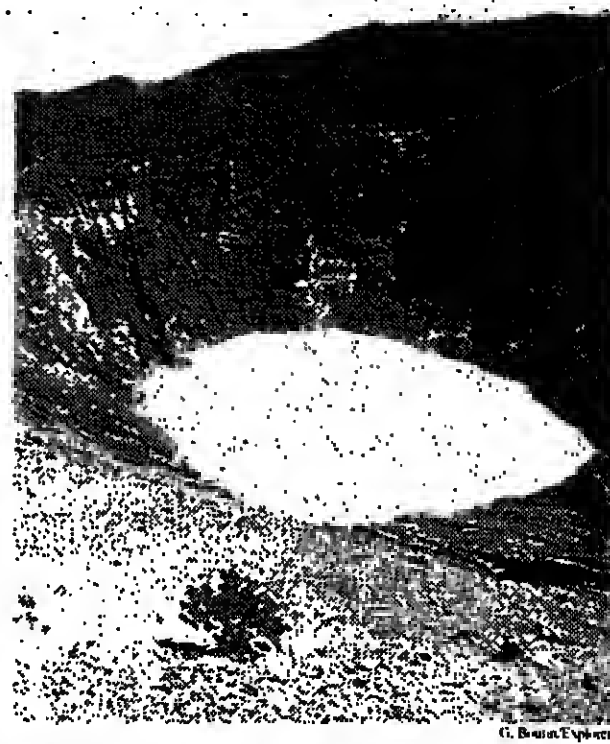
The next day after breakfast, we left the veranda for a trip to the main attraction in Rainbow's world, Casa de Orquideas, a botanical garden that is a 15- or 20-minute boat ride south of the lodge. The garden was created by two Americans, Ron and Trudy MacAllister. The beguiling 70-acre garden surrounding the small house they built themselves 19 years ago out of native woods lies between the steep jungle hillside and the beach.

In the garden's wild tangle of tropical splendors — plants growing on top of plants and sprouting from every visible cranny — one orchid species grows up to 12 feet tall and another has a bloom no bigger than four pinheads. Inviting pathways, curve through thickets of mango, papaya, guanabana, cashews, and star fruit trees, spiky bromeliads, giant strangler figs, heliconias, a variety of gingers and countless other species. There were cactuses, which grow much faster in Costa Rica than in the desert, and a palm tree that, Trudy said, "you can see grow — five feet in two weeks. I sit on my porch and watch it grow."

THE FINAL TALLY

Back at Rainbow, early the next morning, just before leaving, I sat in front of the lodge on a seaside bench made of a split log for a last look, spotting brown pelicans circling above dolphins. The pelicans followed our boat south to Golfo Dulce and its small landing strip. Waiting for the plane back to San Jose, we sat on a bench under trees hung with bromeliads. My wildlife tally after two days beside the rain forest was paltry by Costa Rican standards: a dozen bird species I could name, dozens of others I couldn't name, an agile racoonlike coati, and no mosquito bites. But what we did see was choice. And we had learned what we had hoped to learn, that you can see quite a bit without straying far from a veranda.

Frances Frank Marcus is a frequent contributor to The New York Times.



The crater of the Irazu volcano in Costa Rica.



A green iguana on its jungle perch.

From Night Safari to Museums, a Youthful Tour of Singapore

By Katherine Knorr
International Herald Tribune

SINGAPORE — There are a lot of good ways to spend time with kids in Singapore. What makes this city-state sometimes boring and sometimes disturbing to adults — its firm government and its enforced orderliness — makes it an ideal place to travel with children: It's clean and safe, relatively unpolluted, full of tropical gardens, multicultural food and shopping malls for all ages.

The kitschy Night Safari, on the north side of the island, is a definite kid hit, with its spookily lit animals "in their habitat" (check out the anteater) and the little train that takes you through to spy on them.

Singapore is also working at expanding its museums, all part of attracting that tourist dollar, and although none is truly worth a detour, they make a nice break from the sultry Somerset Maugham climate.

STATE-OF-THE-ART VIDEO The major museums are out specifically aimed at kids, but they have gone to great lengths to be accessible and fun, with state-of-the-art video connections to back up the exhibits with background information that comes close to giving you the recipe for replicating that nice piece of "kitchen" Qing ware.

Indeed visitors to the museums are bound to see characteristically neat and quiet school groups with a few hours off from excelling in the

classroom, to peer into their island's past.

It has to be said that Singapore, despite its best intentions, isn't particularly rich in Asian, or even specifically Chinese art — many of the collections are borrowed from private collectors, and are therefore quirky and incomplete from any historical standpoint. But the very quirkiness of the museums can be a draw for a change of pace.

This visitor's favorite was the Asian Civilisations Museum, the first part of what will be a larger museum devoted to the cultural history of

KIDS

Asia. The first museum, in the refurbished old Tao Nan School, also offers an opportunity — rare in Singapore — to wander through colonial-style architecture, all mission white walls and dark banisters.

The museum, which concentrates on Chinese civilization (the next phase, to open in a few years in the Empress Place Building, will look more widely at Asian culture), makes up for the modesty of its collections with interesting and intelligent display.

In a fairly short tour, an hour or so, you get a sense of Chinese civilization high and low through architecture, furniture, porcelain and enamelware, burial artifacts, writing utensils, jewelry and so on — all of it practical rather than abstract and so a draw for kids' eyes.

The tour starts with a small but highly amusing display, on the Peranakan, or Straits

Chinese, who emigrated from China in the 19th century to form Chinese communities in the Straits settlements.

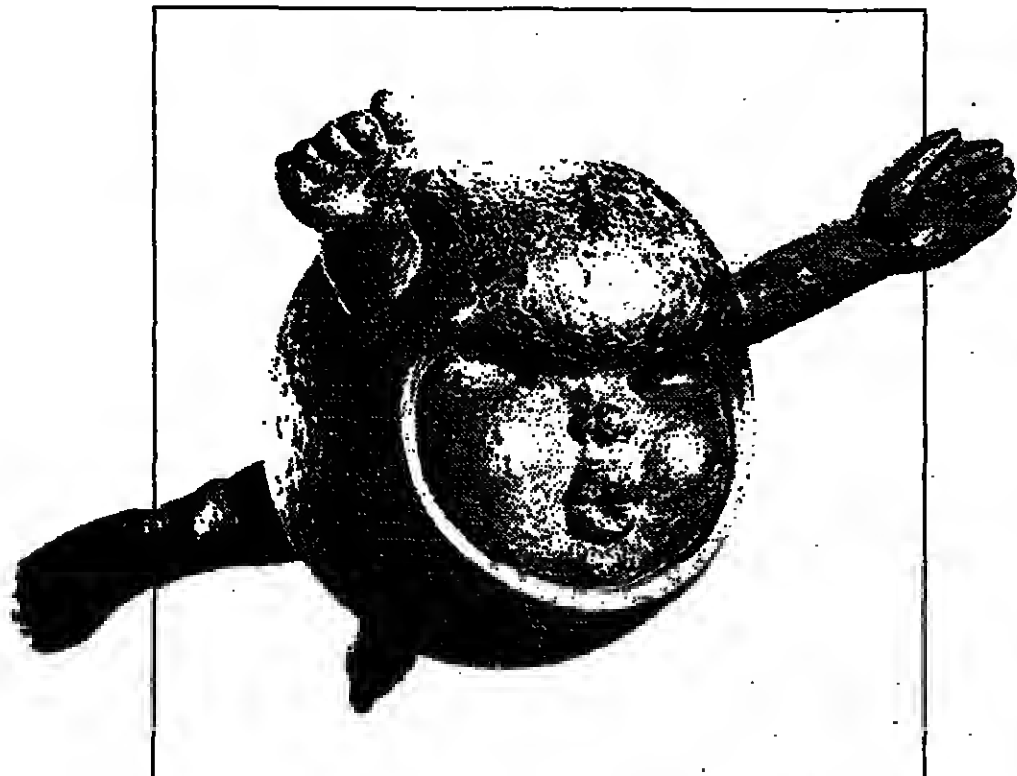
Among the embroidered fabrics and the elaborate porcelain created for the huge weddings of merchants' children are highly ornate beaded mules and purses, high in tangerine color and in the unmistakable image of that great old Asian heroine Betty Boop.

At the National University of Singapore, near the Lee Kong Chian museum (probably too academic for kids), look into the Ng Eng Teng Gallery, devoted to the works of the Singaporean sculptor. Although most of his work is stark and haunting, there is also much playfulness in his pottery, which makes up about one-third of the gallery space, and in his great rocking works in cement *fendu*, which kids will love.

On a much larger scale the Singapore Art Museum, housed in the handsome old St. Joseph's mission school, is another major government project.

Devoted to contemporary art from Asia, it suffers from the same malady as many contemporary art museums around the world: Much of the work, which wishes to be both playful and youthful and profound, tends to be cartoonish or otherwise garish — but to each his own.

The collection does offer a good sampling of the work of such Singaporean pioneers as the late George Chen, and of young artists from Thailand to Vietnam to Burma, high in color and in modern angst. There is enough goofy art to please the kids and there is a nice coffee shop.



"Freedom Child," 1978, by the Singaporean sculptor Ng Eng Teng.



THE FREQUENT TRAVELER

Off and Running With the Euro

By Roger Collis
International Herald Tribune

TRAVELERS are learning to love the euro—the new single European currency that came into being on Jan. 1. You will no longer have to figure out how many lire or dollars or pesetas the French franc or Belgian franc is worth.

With euro coins and notes not due to enter circulation for three years, the euro may seem unexciting. But it is an invisible currency that can only be used in non-cash transactions, such as charge-card payments, traveler's checks and direct debits.

On Jan. 1, 2002, euro notes and coins will be introduced and all prices will be posted in euros. National currencies will be gradually withdrawn and will cease to be legal tender by June 30, 2002, at the latest. The four European Union members that are not in the European monetary union—Britain, Denmark, Sweden and Greece—may join the second wave around 2002.

Consolidating your expenses in euros means that you just have one foreign-exchange cost—between the euro and your own currency, such as dollars, yen or the British pound. And with a euro-dollar exchange rate of about 1.16, it's easy to see what you're spending (think of the euro as slightly heavier than the dollar) and compare euro prices—and therefore the value of goods and services in various countries.

Cross-Border Services

Price transparency in the 11 countries of the euro zone—Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain—will make it much easier to shop for the best cross-border air fares, hotel rates and other travel services in different countries once all prices are posted in euros. This ability to compare prices should lead to more competition and bring prices more in line across borders.

It's worth stating the obvious that

during the three-year transition, national currencies still exist alongside the euro. The 11 euro-zone currencies are locked in a fixed exchange rate with the euro. Thus, there are 6.55957 French francs, 40.3399 Belgian-Luxembourg francs and 1.93633 Deutsche marks to the euro. So there are no more fluctuations between the euro currencies and, therefore, no exchange costs because they are all expressions of the same money—the euro.

However, don't expect merchants or banks to round all those decimal points up or down in your favor. And some banks in euro-zone countries are charging "handling fees"—officially frowned upon in Brussels—to replace the "spread" between the buy and sell rates for currencies that you see posted in banks and exchange bureaus.

Single-currency rules apply also to the four countries outside the euro zone—Britain, Sweden, Greece and Denmark, so that if you want to change, say, French francs to Deutsche marks in London, you should be able to save money through the fixed-rate system. But many banks still charge for two foreign-exchange spreads by taking you through the pound. Banks normally make 1 to 3 percent on each transaction. So you could end up paying 6 percent.

Travelers are seeing prices posted in euros alongside national currencies. But you are not obliged to pay in euros—nor are merchants obliged to accept euros—during the three-year transition. But it makes sense to start thinking euros, and make as many transactions as possible in euros with euro-denominated traveler's checks or on your charge card.

Most major airlines accept the new currency. Travelers, for example, on Air France or British Airways flights from euro-zone countries can choose to pay in euros or local currency. Major hotel chains are "euro compliant."

American Express, Thomas Cook and Visa International issue euro traveler's checks in denominations of 50, 100, 200 and 500 euros, and banks are

starting to issue euro-denominated credit and debit cards for corporate and individual travelers.

Keith Meyrick, director of worldwide acceptance traveler's checks at American Express, said: "We've been selling about \$100,000 a day in euro checks since Jan. 1. Apart from Europe, the majority of sales are in long-haul markets—like Japan, the United States, Australia and Korea. People are saying: 'I'm visiting two or three countries, so instead of taking dollars, francs or Deutsche marks in cash or checks, I'll just take euros, which is a distinct advantage traveling across borders.'"

Paying by card is likely to be more straightforward. You don't need a euro-denominated card to deal in euros—your normal card works the same as for any foreign currency. If you pay in euros, euros will show up on your statement, converted into your currency—or at the fixed rate if you live in a euro-zone country. There is no financial gain, but it enables you to compare prices in euros and makes it easier to fill out expense reports.

FREQUENT travelers to Europe should consider opening a euro bank account and getting a euro-denominated card. This, whatever the transaction currency, your statement will be expressed in euros. This depends on your bank's capability. Citibank has launched a euro current account and debit card—where payments are taken directly out of your account—while some banks, such as NatWest in Britain, are planning to launch corporate euro cards. Lloyds says it can open a euro account in London with a euro debit card beginning March 1.

Hasan Altemir, head of the single-currency unit at Visa International, said, "Judging from cross-border euro transactions going through our system in the last three weeks, acceptance of the euro is quite wide and will increase. A significant proportion of euro traffic is from Belgium, French, Spanish and Portuguese card-holders."

ARTS GUIDE

BRITAIN

LONDON
Estorick Collection of Modern Art, tel: (171) 704-8522, open daily. To April 11: "Zang Tumb Tumb: The Futurist Graphic Revolution." Manifestos, book covers and magazines explore the graphic revolution brought about by Futurist artists between 1909 and 1943.
National Gallery, tel: (171) 747-2885, open daily. To April 25: "Portraits by Ingres: Images of an Epoch." 40 painted portraits and 50 portrait drawings of the aristocrats, the merchants, the bankers and the diplomats of the Napoleonic era and their wives, both in France and Italy, by the French painter (1780-1867).
www.nationalgallery.org.uk
Royal Academy of Arts, tel: (171) 300-8000, open daily. Continuing To April 11: "Monet in the 20th Century." Eighty paintings from the final decades of the artist's life.
www.royalacademy.org.uk

FRANCE

PARIS
Centre Georges Pompidou, tel: 01-44-78-12-33, closed Tuesdays. To April 28: "David Hockney: Espace/Paysage." Brings together, approximately 50 paintings, photographs and installations exploring landscapes, a recent orientation in the work of the British painter (born 1937). The exhibition will travel to Bonn.

GERMANY

COLOGNE
Wallraf-Richartz-Museum, tel: (221) 221-23-92, closed Tuesdays. To Feb. 21: "Fin de Siècle: Graphic Art in Europe Around 1900." More than 150 graphic works reflect the fin-de-siècle mood of nostalgia and optimism over the future, as well as the influences of Impressionism, Symbolism and Art Nouveau. Features Toulouse-Lautrec, Edward Munch and James Ensor.

GREECE

ATHENS
Museum of Cycladic Art, tel: (1) 722-8321, closed Sundays and Tuesdays. To Jan. 31: "Iberian Antiquities." On loan from the Shelby



Humor and imagination in a London exhibition: Futurist alphabet letters take on the shapes of dancers.

ITALY

FLORENCE
Museo Stibbert, tel: 055-448-6045, closed Thursdays. To April 30: "L'Abito per il Corpo, il Corpo per l'Abito: Islam e Occidente a Confronto." More than 120 costumes allow the comparison between structured European clothes and the flowing garments of the Middle East.

JAPAN

TOKYO
Bunkamura Museum of Art, tel: (3) 3272-8800, open daily. Continuing To Feb. 14: "Masterpieces from the Musée de l'Orangerie." Eighty works by Cézanne, Renoir, Matisse and Picasso, from the Jean Walter and Paul Guillaume collection in Paris.
www.nation.net/bunkamura

SWITZERLAND

ZURICH
Kunstmuseum Zurich, tel: (1) 251-6765, closed Mondays. April 29: "Chagall, Kandinsky."

Malenitsch und die Russische Avantgarde." Documents the artistic upheaval in Russian art in the first two decades of this century that led to abstraction. In addition to works by Chagall, Kandinsky and Malenitsch, the exhibition also includes paintings by Laktionov, Redchenko, Popova and Filonov.

UNITED STATES

NEW HAVEN
Yale Center for British Art, tel: (203) 432-2800, closed Mondays. Reopening after extensive renovation, the center presents parallel exhibitions of the three artists who, in different ways, contributed to the evolution of British art in the 20th century. To March 21: "Lucian Freud Etchings." More than 40 etchings created by the British painter (born 1922) over the last 20 years. "Henry Moore and the Herakleia Centenary Tribute." Twenty sculptures dating from the 1930s through the 70s. "Francis Bacon: A Retrospective Exhibition." Sixty paintings of human figures.
www.yale.edu/yaba

CLOSING SOON

AMERICAN
Jan. 31: "Love and War: A Manual for Life in the Late Middle Ages." National Gallery of Art, Washington.
Feb. 2: "Jackson Pollock." Museum of Modern Art, New York.

ASIA
Jan. 31: "Contemporary Portuguese Architecture: Sea, Stone and Space." Hong Kong Museum of Art, Hong Kong.
Jan. 31: "Zao Wou-Ki: Sixty Years of Painting." Shanghai Museum, Shanghai, China.

EUROPE
Jan. 31: "Luca Signorelli in British Collections." National Gallery, London.
Jan. 31: "L'Amor de la Russia Dans ses Jours." Toit de la Grande Arche, Paris.

MIDDLE EAST
Feb. 2: "The Joy of Color: The Herzl Collection." The Israel Museum, Jerusalem.

Compiled by Elisabeth Hopkins

CROSSWORD

ACROSS
1 Panama hat material
5 Treble
9 Delectably
15 Anticlimax
18 Store unloading
17 Old-fashioned
19 Deliberately
15 Symbol of
20 Crap or
22 Lines from
23 Basted

25 Plains tribe
26 Jacques the
27 Auto style
28 Gaslight
29 Set of sheets
31 Whip-tailed
32 Cissy Tyson
33 Continental
34 Petal finders
35 Elites an "old"
41 Handled
42 Some
43 Ending with
44 Novelist
45 Plucky
46 Home of
47 Plateau
48 Unscouted
49 Hydromassage
50 Hairy
51 Woodstock
52 Concocters
53 G.O.P. foe
54 Field manager?
55 You don't have
56 Meadowlark's
57 Ornithologist's
58 Set of 150
59 Track sights

60 Request
61 "Hands Across the Sea"
62 "Wheels say"
63 Mem. of the
64 A.B.A.
65 Protector of
66 Not so tough
67 Super Bowl XIV
68 Made to
69 Love Her (1967
70 Area of hot
71 Tiger traps?
72 Piled items
73 Brit's rejoinder
74 Still
75 "So that's it!"
76 English-style
77 Does some
78 Interior
79 Decorating
80 Common
81 Get introduced
82 Kind of park
83 Black ball, say
84 Least active of
85 Halogens
86 Sharp
87 They leave the
88 Flaga

89 Handle
90 Control post
91 Some
92 Improvisation
93 Competitor of
94 the euro: Abbr.
95 Songbird

Solution to Puzzle of Jan. 28
SWAMP ARMED MAY
PIKIE VIOLE ARE
OPENACANORMS
TEST HIT
WIL MUSTONE
CAVORT HAT ENOS
ANISE ACME OENS
NOTONES TIP POTTY
DRAME SOV CARESS
SKIMMER MAL
NITA POP ARLO
ODDOTTLESORBEER
101 ZAIRS ELSIE
102 OWENS ZETAS

MOVIE GUIDE

A SIMPLE PLAN

Directed by Sam Raimi. U.S.

"Nobody'd ever believe that you'd be capable of doing what you've done," the once wholesome main character in "A Simple Plan" is told by his wife, at a point when he can barely believe it himself. Though he begins the story innocently enough, Hank Mitchell (Bill Paxton) winds up digging himself ever deeper into a hole that's impossible to escape. However straightforward these events are described, they become ever more gripping and unsettling as the film proceeds. Exactly how and why a chance event escalates to such intensity is at the heart of this quietly devastating thriller directed by Sam Raimi, the cult horror director ("The Evil Dead") who makes a flawless segue into mainstream storytelling. And in an acting collaboration that is as fine as their first, and could share its title ("One False Move"), Paxton and Billy Bob Thornton play out the consequences of a harmless-sounding error in judgment that winds up leveling everything in its path. Adapted by Scott B. Smith from his suspenseful and highly cinematic best-seller, it begins with the irresistible hook of a windfall that drops out of the sky. Hank and two other men accidentally happen onto a small airplane that has crashed while carrying \$4.4 million in cargo. What they do about this, and how they do it, will shape their fates forever. The plan of the title: Hank decides he will take the money and hide it for a while, waiting to see if anyone comes to claim it. He assumes this responsibility because he is the only member of the trio who has a job (as feed store) and shows any sign of responsibility. The other two men are Hank's childhood brother Jacob, who is played with both sweetness and an edge of danger by Thornton, and Jacob's friend Lon (Brent Briscoe), later described as "a 40-year-old out-of-work high-school dropout who's proud when people call him the town drunk." So Hank, who has a tidy little home, a pretty wife and a baby on the way, is clearly the man in charge. But Hank's wife, Sarah (Bridget Fonda), nuns out to be an unexpectedly powerful player in this drama. Right away, she suggests that Hank return \$500,000 to the plane, to ward off suspicions of looting. This winds up having terrible consequences when a nosy farmer gets in the way, and it's only the beginning of the story's lethal complications. The film becomes ever more enveloping as a well-honed morality tale rising to a near-biblical level of punishment for its characters' transgressions. (Janet Maslin, NYT)



Bill Paxton, left, and Billy Bob Thornton in Sam Raimi's "A Simple Plan."

hiko Kawagoe, to make a movie about a small-time punk named Ryuji, a film Kaneko would write, star in and eventually edit. The result was the most honest yakuza film ever made (Kaneko joined a Shinjuku gang and became a real punk in order to learn), and when it was released in 1983 it won a number of local awards. Unfortunately, it was never fully distributed. The reason was that Kaneko died at the age of 33, just weeks after finishing this remarkable first film, and the impetus went out of the project. The distribution company shelved it and that would have been the end of it except that, strangely, "Ryuji" lived on. The few who had seen the film talked about it, never forgot it, told their friends and in a decade "Ryuji" had become a cult film. When it recently came out on video, it was a smash, and now finally it is being theatrically re-released in Japan and shown, one hopes, in a few foreign festivals. The big screen is where this detailed and enormously moving film belongs. One needs to see Kaneko's eyes when Ryuji changes his mind, to see that wide, arrogant mouth turn tender when he plays with his little girl (played by Kaneko's real daughter), to see him plain at the end, succumbing, failing to go straight, back in his lids, aimlessly, helplessly walking the dark Shinjuku streets. There are no Tarantino hot-shots, no punchy Kitanos here—just an empty, terrified man who once again turns to the case of violence. (Donald Richie, IHT)

RYUJI

Directed by Toru Kawashima. Japan.

Fifteen years ago an extraordinarily talented but completely unknown stage actor named Shoji Kaneko brought together a number of people, including the director Toru Kawashima and a first-time feature photographer, Michi-

MARA AND DANN

An Adventure

By Doris Lessing. 407 pages. \$25.

Harper Flamingo.

Reviewed by Michiko Kakutani

WITH "Mara and Dann," Doris Lessing returns to Africa, the continent that so richly inspired her earliest fiction. The place is now called Ifrik, however, and it's light years removed from the Africa described with such realism and ardor in her early Martha Quest novels. Though closer, in many respects, to the remote, mythic realms conjured up in her "Canopus in Argos" series, it's even less imaginatively rendered.

"Mara and Dann" takes place in the distant future, thousands and thousands of years after a great ice age has destroyed civilization. Most of the world is still uninhabitable, and a killing drought has turned most of southern Ifrik into a desert. Among the refugees making their way north are Mara and Dann, the heroes of this rambling, picaresque novel. Their tiresome adventures not only recapitulate assorted myths and fables but also embody several of Lessing's favorite themes: the ever shifting relationship between individuals and society, and the eternal tension between domesticity and freedom, responsibility and independence.

As the novel opens, another of Lessing's coolly omniscient narrators informs us that 7-year-old Mara and her 4-year-old brother, Dann, have been abducted and taken for their safekeeping to a remote Rock People's village. Their murdered parents were members of the Mahondri royal court, it seems, and the two children—much like Luke Skywalker and Princess Leia in "Star Wars"—have been given new identities for their own protection.

In the Rock People's village, a kindly

old woman named Daima looks after Mara and Dann. Water and food are painfully scarce here, and the few people in the village who have not left in search of a better life are close to dying of starvation. Life, in fact, is conducted on a sort of Stone Age subsistence level: Virtually all knowledge of technology and science has been lost, and even basic facts of history have slipped into the misty realm of rumor and legend.

Years pass, and Dann leaves the village with two strangers, while Mara stays on to care for the ailing Daima. The drought has worsened, and the two women are now the village's only residents. More years pass, Daima dies and Dann returns to rescue his sister. The two then set off, with their family legacy of 50 gold pieces, and head north, like so many refugees before them.

The remainder of Lessing's novel quickly devolves into a series of repetitious and annoyingly predictable encounters with evil villains, kindly benefactors and unforgiving weather. Mara and Dann doggedly make their way through hot, dusty deserts and menacing little towns filled with spies and informers. One or the other of them is constantly being kidnapped, enslaved or drafted into an army. And the other one is constantly rescuing his or her sibling.

Virtually all the bad people Mara and Dann meet are short, thick and ugly; virtually all the good people they meet are tall, thin and graceful. These Manichaean dichotomies are not the only thing that this novel has in common with Lessing's "Canopus in Argos" series: the books also share a fairy tale flatness, an overfondness for easy symbolism and a tendency to look at human affairs from a telescopic distance that reduces all governments, all peoples to pawns in a cosmic cycle of "rise and fall, fall and rise."

The problem is that "Mara and Dann" lacks the operatic grandeur of the "Canopus" novels, and it also feels perfunctory in the extreme, as if the author were randomly stringing one incident upon the last, one crisis upon another. Although the kindhearted Mara is a sympathetic heroine—a survivor, like so many of Lessing's women, who is defined largely by her travails—she is a pallid, two-dimensional version of the characters who were delineated with such psychological and social detail in the author's early, more realistic work.

As for Dann, he is a hodgepodge of male attitudes and postures, alternately childish and commanding, mercenary and protective. The minor characters in the novel are crude types, not individuals, people defined solely by their role in helping or hindering Mara and Dann in their quest to move north.

In the end, the moral of this cautionary tale is equally simplistic. It's a moral about the catastrophic destruction of civilization, a moral that has surfaced many times before in Lessing's work (in as early a novel as "The Four-Gated City" and again and again throughout the "Canopus" series) but never quite as simplistically as in this dreary novel.

Of the so-called ancients—that is, modern human beings who were supposedly killed off by the ice age—Lessing writes in her flat-footed way: "These were peoples who had no interest in the results of their actions. They killed out the animals. They poisoned the fish in the sea. They cut down forests, so that country after country, once forested, became desert or arid. They spoiled everything they touched. There was probably something wrong with their brains. There are many historians who believe that these ancients richly deserved the punishment of the ice."

New York Times Service

BRIDGE

By Alan Truscott

APLAYER who is defending a slam and has J x x in trump with a side ace is entitled to be optimistic. He will, of course, never lead a trump, which would jeopardize his potential trick. Never? Well hardly ever, as the diagrammed deal shows.

It was played in London in the prestigious Lederer Memorial Team Championship, and East was Andrew Robson. His partner was Zia Mahmood, who reported the proceedings in his column in "The Guardian."

North-South had a choice of slams, and selected six spades. This was far better in theory than six hearts, which

needs, and gets, a very lucky heart position to succeed. The club king was led, and South won with the ace and led his singleton diamond. Dummy's queen was taken by the ace.

Robson, a member of the cosmopolitan foursome that won the Reisinger Board-a-Match Team Championships at the Fall Nationals, thought carefully. The obvious play was to return a club, forcing the dummy to ruff and making it impossible for South to draw trumps in the normal way, by dropping the 10 under the ace, leading to the king, and taking a marked finesse.

But Robson, looking deeply into the position, saw that the club return would force South into a successful

crossruff. He would ruff in dummy, cash three red-suit winners ending in dummy, and ruff diamonds and clubs.

He would end up with four side-suit tricks, and eight ruffs, with East's spade king trapped at the finish.

So Robson made an apparently suicidal play. At the third trick he returned a trump. Now South could have succeeded by playing for a miracle in the heart suit, but he naturally worked on diamonds, planning to make use of the fifth diamond in dummy. He assumed, quite reasonably, that the spades were divided three-two. Now he was defeated by East's trump holding.

Robson's potential trump trick, which he had apparently sacrificed, came back to

NORTH (ON)			
♠ K 10 7			
♥ K 5 6 2			
♦ K 9 8 4			
♣ —			
WEST			
♠ 2			
♥ 7 4 3			
♦ J 10 3 2			
♣ K 9 7 3			
EAST			
♠ J 8 5 3			
♥ —			
♦ A 7 6			
♣ 10 8 5 4			
SOUTH			
♠ A Q 8 6 4			
♥ A 10 8			
♦ 5			
♣ A J 8 3			
Neither side was vulnerable. The bidding:			
North	West	South	East
1 ♠	Pass	1 ♠	Pass
2 ♠	Pass	3 ♠	Pass
3 ♠	Pass	4 N.T.	Pass
5 ♠	Pass	6 ♠	Pass

West led the club king

INTERNATIONAL

A Phone Intercept Links Belgrade to an Order to Kill 45 in Kosovo

By R. Jeffrey Smith
Washington Post Service

RACAK, Yugoslavia — A troop and police attack on this Kosovo village two weeks ago, which led to the death of 45 ethnic Albanian civilians, was carried out at the order of senior officials of the Serbian-led Belgrade government, who then orchestrated a cover-up attempt after an international outcry, according to Western intercepts of telephone conversations.

Angered by the slaying of three policemen in Kosovo, the officials ordered government forces to "go in heavy" on Jan. 15 and search Racak for ethnic Albanian guerrillas believed responsible for the ambush slayings, according to Western sources familiar with the intercepts.

As the civilian death toll from the assault mounted and criticism spread, a high-ranking political figure in Belgrade and a senior commander of security operations in Kosovo sought to cover up what had taken place, according to the monitored conversations.

Details of the conversations shed new light on the attack and its aftermath, which have again brought NATO to the brink of confrontation with President

Slobodan Milosevic over his government's repression of separatist ethnic Albanians in Kosovo.

In a series of conversations, the Belgrade official and the general expressed concern about reaction to the Racak killings and discussed how to make them look as if they had resulted from a battle between troops and insurgents of the Kosovo Liberation Army.

The objective was to challenge claims by survivors — later supported by international monitors — that the victims had been killed in an execution-style massacre.

Yugoslav Army troops and police units of the Serbian Interior Ministry have waged an 11-month campaign against ethnic Albanian guerrillas seeking independence for Kosovo.

In an October accord imposed on President Milosevic, under the threat of NATO air strikes, the Yugoslav leader agreed to withdraw some of his forces from Kosovo. The conflict eased as both sides maintained an unofficial truce.

That changed in Racak when army and police units converged on the area. As a result of the attack, the village has been transformed into a ghostly place, empty of people.

Many of its houses, cloaked by a

dense fog obscuring surrounding ice-covered thickets and leafless trees, were shrouded by direct fire from three T-55 tanks. Now there are only a few dogs, braying donkeys and other barnyard animals.

One source familiar with the phone calls between military leaders in Kosovo and officials in Belgrade on Jan. 15 and succeeding days said they showed that the intent was to find three guerrillas accused in the ambush of a police convoy on Jan. 8 near Racak.

"It was a search and destroy mission" with explicit approval in Belgrade, the source said.

As tank and artillery fire and the chatter of machine-guns echoed off the hills surrounding Racak, the Belgrade political figure called the general in Kosovo, according to Western sources.

The Belgrade official was aware that the assault was under way, and he wanted to know how many people had been killed. The general replied that as of that moment the tally was 22.

In calls over the following days, the two expressed concern about the outcry and discussed how to make the killings look like the result of a battle.

One measure the Belgrade official advocated in his calls was to seal

Kosovo's border with Macedonia to prevent Louise Arbour, the UN war crimes tribunal prosecutor, from entering the province.

Another measure was to demand that Interior Ministry troops regain control of Racak and get the bodies. Serbs assaulted the village Jan. 17. The following day they seized the bodies at a mosque and transferred them to a morgue in Pristina, the capital.

A third measure was to explore whether the killings could be blamed on an independent group that supposedly came to the region and attacked the residents of Racak after government troops had left.

The official was advised that making such a claim was not feasible.

Shortly after the Jan. 15 attack, a Yugoslav spokesman said that the bodies found on the hillside were armed, uniformed members of the Kosovo Liberation Army.

The account was challenged by international inspectors and journalists who arrived on the scene Jan. 16 and found dozens of corpses on the ground, all in civilian clothes.

Government officials later alleged that some of the victims had been accidentally caught in cross-fire between

security forces and rebels or were deliberately slain by guerrillas to provoke international outrage.

But survivors, diplomatic observers and rebels who were in the area at the time of the killings say that little shooting occurred inside the town early in the assault Jan. 15 and that no battle was under way at around 1 P.M., when most of the victims were evidently killed.

These sources say that Kosovo Liberation Army forces were not deployed near a gully where at least 23 of the bodies were found, and that none of the trees in the area bore bullet marks as would be expected after a battle.

A team of forensic pathologists that arrived in Kosovo from Finland last Friday, a week after the killings, found nothing to contradict these accounts, according to a Western official.

"A picture is beginning to emerge from the autopsies, and it is a tragic one," said another source, explaining that the types of wound indicate they were "humiliated" before being fired on from several directions.

The last of the autopsies were expected to be completed on Wednesday, and the Finnish pathologists said their final report would be ready next week. Their preliminary conclusion is con-

sistent with an account given on Jan. 16 by Imri Jakupi, 32, a resident of Racak who said he escaped into the woods.

He said that he and other men had been rounded up by security forces in house-to-house searches and ordered to walk along a ravine before troops "started shooting from the hills at us."

Villagers told inspectors and reporters at the scene on Jan. 17 that many of the dead were last seen alive in the hands of Interior Ministry troops wearing black ski masks. Survivors said they managed to recognize some local policemen and Serbian civilians in the masks.

Mr. Jakupi and another Racak resident, Rem Shabani, said they had overheard what some of what the troops were saying on their walkie-talkies as two groups of men were being led away from the village.

"How many of them are there?" one soldier asked. When the reply came back as 29, Mr. Shabani recalled, the order given was "O.K., bring them up."

Mr. Jakupi said he then overheard another order: "Now get ready to shoot."

He fled, he said, before the shots rang out.

In Missile Alert, U.S. Jets Hit Iraqi Air Defense Site

Reuters

INCIRLIK, Turkey — U.S. warplanes flying from a base in southern Turkey attacked an Iraqi anti-aircraft missile emplacement in northern Iraq on Thursday, the U.S. Air Force said.

The incident came shortly after the base at Incirlik was put on a state of alert amid fear of a missile attack from Iraq.

Allied sources in Ankara said a U.S. tracking station had picked up a possible launch from northern Iraq in the direction of the Turkish border. But the "target" disappeared from screens, and the alarm was canceled.

A spokeswoman at Incirlik, a complex of red-brick buildings behind wire on the Anatolian plain, said two F-15 fighter-bombers on a routine patrol of the no-flight zone in northern Iraq had been targeted by anti-aircraft radar north of Mosul.

The U.S. aircraft responded with three precision-guided bombs before returning to Incirlik.

"Damage to the Iraqi missile site is currently being assessed," she said.

American and British warplanes have enforced a no-flight zone north of the 36th parallel since the 1991 Gulf War to try to protect the Kurdish population from attack by President Saddam Hussein's forces.

The alert at Incirlik highlighted the growing tensions in the area this week after a series of similar strikes against Iraqi targets by U.S. planes.

A statement by the Turkish general staff said there was an explosion north-east of Mosul at the time Incirlik was put on alert and that this may have been interpreted as a missile launch. It did not say what had caused the blast.

"Turkish air defense systems are ready to answer every kind of threat," the general staff's statement said.

A statement by the U.S. European Command in Stuttgart said troops at Incirlik, about 50 kilometers (30 miles) from the Mediterranean Sea, had donned protective gear. Gates were closed and traffic was halted.

General Questions U.S. Policy

The general who commands U.S. forces in the Gulf area questioned Thursday the policy that has become the centerpiece of U.S. policy toward Iraq — support for opposition groups in hope of toppling Mr. Saddam — The Associated Press reported from Washington.

"I will be honest: I don't see an opposition group that has the viability to overthrow Saddam at this point," General Anthony Zinni of the Marine Corps told the Senate Armed Services Committee.

The policy of supporting opposition groups, "if not done properly, could be very dangerous," General Zinni said.

He raised the prospect of dozens of splinter groups competing for power. "The last thing we need is another rogue regime," he said.



Looters breaking a shop window in Armenia, Colombia, days after the earthquake, whose toll reached nearly 900 and more than 3,400 injured.

KOSOVO: NATO Chief Gives a Warning

Continued from Page 1

its demands on Kosovo are met.

"Some ingredients still need cooking, but it looks like we're getting there," a NATO official said about the emerging consensus — apparently including Russia — behind an approach largely inspired by the Clinton administration.

Secretary of State Madeleine Albright, who had threatened to boycott the Contact Group meeting unless it was prepared to meet minimal U.S. con-

ditions, said early Thursday that she would attend the critical session.

The complex approach, balancing NATO pressure and the contact group's political plan, is designed to keep Russian opposition from blocking an allied consensus on using force if necessary, officials said.

Formally unveiling the drive for a Kosovo settlement, Mr. Solana read a statement Thursday at NATO headquarters saying: "The appropriate authorities in Belgrade and representatives of the Kosovo Albanian leadership must agree to the proposals to be issued by the Contact Group for completing an interim political settlement within the time frame to be established."

Mr. Solana appeared to deliberately reserve the term "ultimatum" for the Contact Group, saying that it was expected to issue "a political ultimatum" about the peace talks.

In deference to European concern — and Russian irritation — about an approach in which NATO seemed to manage international policy toward Serbia, the Clinton administration has been subtle about letting the contact group produce the political blueprint for a Kosovo settlement.

Largely inspired by the United States, these plans for the end game in Kosovo seemed to echo the process over Bosnia three years ago, including Dayton-style negotiations at a forced pace, NATO military pressure to get the parties to the table and — still to be decided on — the use of ground troops from NATO nations including the United States to police an accord.

Washington has "become much more forward-leaning" on a role for American troops, a Clinton administration official said, provided they were deployed in the context of a cease-fire and not sent into combat to separate the parties by force. The coercive role has only been envisaged for NATO air power, including U.S. cruise missiles.

Like the Clinton administration, Germany and other countries may prefer postponing a debate about the politically charged question of ground troops until the proximity talks begin or perhaps even until they end.

The autonomy package — leaving Belgrade only the management of international affairs for the province — will dissatisfy both the Serbs who claim Kosovo and the Kosovo Liberation Army guerrillas who want independence.

U.S. officials felt that they got implicit support from an unexpected quarter Thursday when the UN secretary-general, Kofi Annan, acknowledged the difficulties of intervening in crises normally within the jurisdiction of a sovereign state.

In a speech at NATO headquarters, Mr. Annan went on: "The international community should have no illusions about the need to use force when all other means have failed. We may be reaching that point once again in the former Yugoslavia."

New Fighting in Kosovo

Fighting broke out along Kosovo's southwestern border Thursday even as NATO reinforced its threat to use force to halt the year-old conflict. The Associated Press reported from Pristina.

Yugoslav troops battled a large group of ethnic Albanian rebels caught trying to smuggle weapons from neighboring Albania, according to Serbian sources in Pristina, the provincial capital.

QUAKE: Looting Plagues Colombian City

Continued from Page 1

had never confronted a disaster of this size. "We are talking about thousands and thousands of families," he said, adding that about 25,000 military food rations were being distributed to the hungry.

Ten people were injured in the looting and clashes with the police in Armenia, said Dr. Jorge Lopez, director of the city's San Juan de Dios hospital.

"We're hungry, and we can't get by hungry," said Freddy Guerrero, a carpenter who, like hundreds of others, emerged from Armenia's central supermarket carrying bags of rice, milk and beans. "I'm desperate."

In some neighborhoods in Armenia and neighboring Calarca, residents banded together to confront looters, including some convicts who escaped from prisons after the quake, said the national police chief, General Rosso Jose Serrano.

Looting also broke out in nearby Pereira, where people smashed open doors, windows and metal barriers to get at store shelves. Outside one market, they shouted at the police, fists in the air, ignoring warning shots. The police failed to stop them with their billy clubs.

The quake devastated much of Colombia's coffee belt. Reconstruction costs were expected to exceed \$100

million, said Interior Minister Nestor Humberto Martinez.

Search and rescue teams from the United States, Mexico, Japan, France and Britain scrambled over and into dozens of collapsed buildings, looking for more victims, alive or dead.

Sparks lit up the drizzly night in downtown Armenia as helmeted Japanese rescuers cut through twisted steel girders with a chain saw.

They hoped to find life below a 45-meter-high (150-foot-high) pile of rubble — the remains of a five-story building that buried as many as two dozen customers in a first-floor cafeteria.

"There is a tremendous lack of coordination. Everyone is working on their own," said Raul Gonzalez, a Colombian fire fighter who was searching a collapsed hotel a block away. "There is no central command point, which is critical in this kind of emergency."

At least three people were rescued Wednesday, including a 65-year-old man and a 16-year-old boy taken from a collapsed six-story apartment building.

Dozens of survivors, many in tears, went before TV cameras to tell anyone they might know who was watching that they were safe but needed help. Amid the chaos, dazed children walked the streets, looking for their parents. Many people chose to leave Armenia, and cars choked the road leading to Cali.

FISCHER: Not Fazed by Berlin Ghosts

Continued from Page 1

long-held assumptions that Germany will bankroll the European Union because the country still has a moral debt to pay.

So, is he a loose cannon, this 50-year-old former member of the Revolutionary Struggle movement? It seems not. For all his evident convictions, Mr. Fischer appears to have found in the passage from protest to responsibility a school of pragmatism and balance.

Take Kosovo. Like most members of the Greens, a party with origins in the peace movement, Mr. Fischer has little taste for military force. Above all, he believes a political strategy is needed to stop the fighting in the southern Serbian province. "We must bring the two sides to the table," he said. "We must start a political process. Air power is worth nothing if there is no political strategy."

But asked if he therefore opposed NATO air strikes, Mr. Fischer said: "I am not a friend of using force, but sometimes it is a necessary means of last resort. So I am ready to use it if there is no other way. If people are being massacred, you cannot mutter about having no mandate. You must act."

However, as the North Atlantic Treaty Organization seeks to redefine itself, preparing a new post-Cold War doctrine to be unveiled at a 50th anniversary summit meeting in Washington in April, it is inevitable that "the global American superpower" and "more cautious" Europeans will have some differences, Mr. Fischer suggested.

"NATO has always had a regional structure," he said. "I think it is not without risk to open that structure and propel the organization toward broader purposes and a broader area."

This warning was evidently meant to counter American proposals that NATO see itself now as an "alliance of interests" in some instances taking on far-flung missions against chemical and biological weapons, unclear proliferation or terrorism.

Mr. Fischer said that rather than being "reactive," NATO should energetically seek means to prevent the proliferation of weapons of mass destruction. His proposal that the alliance renounce the first use of nuclear weapons remains on the table, he added, but will not be discussed before the Washington summit meeting.

American officials have not been amused by Mr. Fischer's suggestion that first use be renounced, and one said, on the condition of anonymity, that the foreign minister had failed to build trust.

Beyond the sparring, it appears clear that a new German-American relationship is in the making, in which the country that the United States helped rebuild from postwar ruin will no longer automatically bow in grateful acquiescence. Mr. Fischer is tentatively due in Washington and Canada about the first of March.

Tuning to Europe, Mr. Fischer said the European nation-state was now shaped by forces beyond its control. With the introduction of a single currency, the euro, he added, an important part of sovereignty has been abandoned and it is inevitable that steps toward greater political integration will follow.

And will Berlin — with its granite Nazi buildings, its size, its gargantuan new construction projects and its memories — stir the nationalist in the German soul?

The debate on this question is active, and the decision to put ministries in old Nazi buildings — including the Reichsbank, where Hitler's bust once stood in the lobby — is still contested by some. But the alternative of entirely new construction would have been prohibitively expensive.

Fears about Berlin will remain only that — fears, said Mr. Fischer, who appears to relish the quirks of history that soon will place him in a building completed in 1940. "We are passionate federalists in Germany, and the move will not change that."

EURO: Is Common Currency Putting Downward Pressure on Pay?

Continued from Page 1

judging the potential profitability of one European country or region against another.

With concerns about exchange-rate fluctuations no longer affecting entrepreneurs' risk calculations in relation to the low-wage countries, and the assurance that the euro zone's tight inflation criteria will hold off dramatic increases in these countries' pay levels, trade unions in the high-wage countries of Germany, the Netherlands and Belgium regard the new situation as deeply troubling.

After years of low growth and high unemployment sometimes linked to the austerity measures that brought Europe's currencies into convergence, the contrasting labor costs now illustrate how the coming of the common currency may exact a new price in terms of people's lives.

David Foden of the European Trade Union Confederation's research unit in Brussels said: "There is a fear by the trade unions that this competitive climate will lead entrepreneurs to undercut on wages. You can imagine a downward spiral. There is a fear on the unions' side that the competitive pressures will encourage companies and even governments to go from country to country to see who can go furthest down on wages."

For a time, Finance Minister Oskar Lafontaine of Germany seemed to be on the unions' wavelength and ready to move in favor of their standpoint within the EU. He said:

"It would be wrong if the economy of a region or a state tried to create a competitive advantage for itself by forcing down its salary costs."

That's why salary policy has to be coordinated. The unions have to talk

among themselves and use the European institutions in which the unions and employers are represented."

For politicians, the issue involves dealing with the reality that their country could be facing a loss in jobs even as European competitiveness might be benefiting in general from an overall labor-cost shakeout.

Michel Didier, the director of Rexecode, said he considered Germany and Belgium to be facing problems because of their labor costs.

He regarded France as being hurt to a lesser degree, Italy in a neutral position and Spain and Portugal as clear beneficiaries.

As much as he welcomed Mr. Lafontaine's view, Hans de Vries, national negotiator for the metal and electrical industry workers' union in the Netherlands and an activist among labor leaders pressing for a transnational approach in Europe, said the unions so far had received "more sympathy than real support" from their countries' left-of-center politicians.

Mr. de Vries acknowledged that coordinating across-border salary policy would be extremely difficult and that there were great impediments to it within individual countries. But he said the European Metalworkers' Federation was pushing its members toward adopting minimum standards and that the automotive and shipbuilding sectors would be among the first to be targeted.

The chances of making headway are best in areas where there are common patterns and practices, such as Germany and the Benelux countries, Mr. de Vries said. Short of transnational collective bargaining, the unions are also pressing for harmonization of tax policy across Europe.

But it will not be easy to get other

unions on board on the central issue of salaries, said Joachim Kreimer-de Fries, who directs European wage policy for the German Trade Union Federation.

He said he believed it would be difficult to include Spain and Portugal, whose unions he described as less eager to link wages and productivity.

At the same time, there are indications of an increasing effort by low-wage countries in the euro zone to attract businesses from higher-wage areas. Joao Alves Pereira, head of Portugal's 25-person investment office in Paris, described the competition from countries such as Ireland as great.

Mr. Pereira flees the hard sell and talks about Portugal as if it were interesting largely because of its work ethic and new training programs. But beyond his practiced diffidence, Mr. Pereira reports success from France. The investment office's bulletins clearly state Portugal's wage advantages, and Mr. Pereira becomes more direct when he is asked whether he is concerned by union attempts to level them out.

"You're talking about evolutionary change," he said. Referring to the Maastricht treaty on European union, he added: "The Maastricht rules are clear. Inflation levels are limited. If you're talking about relocating, it's worth it for 10 years or more."

Hourly labor costs — the figures that were used for this article, from Eurostat, include tax, pension and social security payments — are obviously only part of the calculation that goes into choosing sites for industrial facilities. Productivity, geographic advantage and political climate also matter. But wage considerations have been accentuated, the unions say, by the euro's leveling out of foreign-exchange and interest-rate factors.

VOLVO: Ford to Pay \$6.5 Billion to Bolster Its Presence in Europe

Continued from Page 1

with Renault in 1993, while some of Asia's struggling automakers are deep in debt, Nissan's indebtedness stands at nearly \$38 billion.

"So far, no one has shown the appetite to do the difficult deal," Mr. Lawson said.

The acquisition of Volvo is the latest in a string of deals that have seen a number of top Swedish corporations pass into foreign hands or move abroad, such as the drugmakers Astra AB and Pharmacia AB and the paper company Stora AB. The deals have heightened fears that the country could be marginalized by globalization and as a result have

bolstered support for Swedish participation in the single European currency.

Ford appeared determined to soothe any political anxieties by promising to maintain the "Swedishness of Volvo," as Mr. Nasser put it. Just as Ford has maintained Jaguar as a distinctly British subsidiary, the company will operate Volvo as a separate business unit based in Gothenburg and keep its three Swedish production facilities as well as its research and development capabilities.

Ford will concentrate initially on generating savings through common parts purchases, which some analysts have estimated could save \$150 million a year. Later on it intends to move toward

common platforms, or chassis, for similar Ford and Volvo models.

Ford also was expected to try to extend Volvo's range to include minivans and sport-utility vehicles, which Mr. Nasser hinted at by saying that the Volvo brand "has quite a lot of flexibility and versatility."

Ford sold about 200,000 Lincolns and Jaguars last year, but with Volvo it could sell 1 million premium cars a year early in the next decade, Mr. Nasser said. Volvo also brings attractive demographics. Half of its American customers are women and three-quarters are under 55, a sharp contrast to the predominantly older, male buyers of its current luxury brands.

CEOs
Upbeat
Business
find their time
in a nutshell

Steel Imp

The last
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practitioners
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complaining
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Top CEOs Are Upbeat On Business

Survey Finds Their Views
Differ From Economists'

By Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — Putting behind them a year and a half of intense financial and economic turmoil, leading corporate executives around the world expressed remarkable optimism about business prospects in a survey made public Thursday.

More than 80 percent of the 802 chief executives surveyed in 19 countries said they were upbeat about prospects for the business growth in the coming three years, the management firm Price-waterhouseCoopers reported.

The attitudes of the CEOs provided a sharp contrast with the views of many economists and other analysts who gathered Thursday for the annual meeting of the World Economic Forum in this Swiss Alpine village.

"There will be a convulsion in the world economy the likes of which we've never seen before,"

warned Kenneth Courtis, chief economist and strategist for Deutsche Bank Group in Tokyo, unless policymakers manage to pull

back from the current path of excess industrial capacity, high levels of debt and structurally slow growth. He predicted sharp cuts in interest rates and taxes in both Europe and the United States to achieve that end.

Both Mr. Courtis and Rudiger Dornbusch, an economist at the Massachusetts Institute of Technology, warned of increasingly vicious trade tensions unless growth and financial stability are assured.

Mr. Dornbusch called Michel Camdessus, head of the International Monetary Fund, which has come under criticism for its response to the global financial crisis, "a monument to the failure of the worldwide economic stabilization effort. Every emerging market has become a casino, and he is the chief croupier."

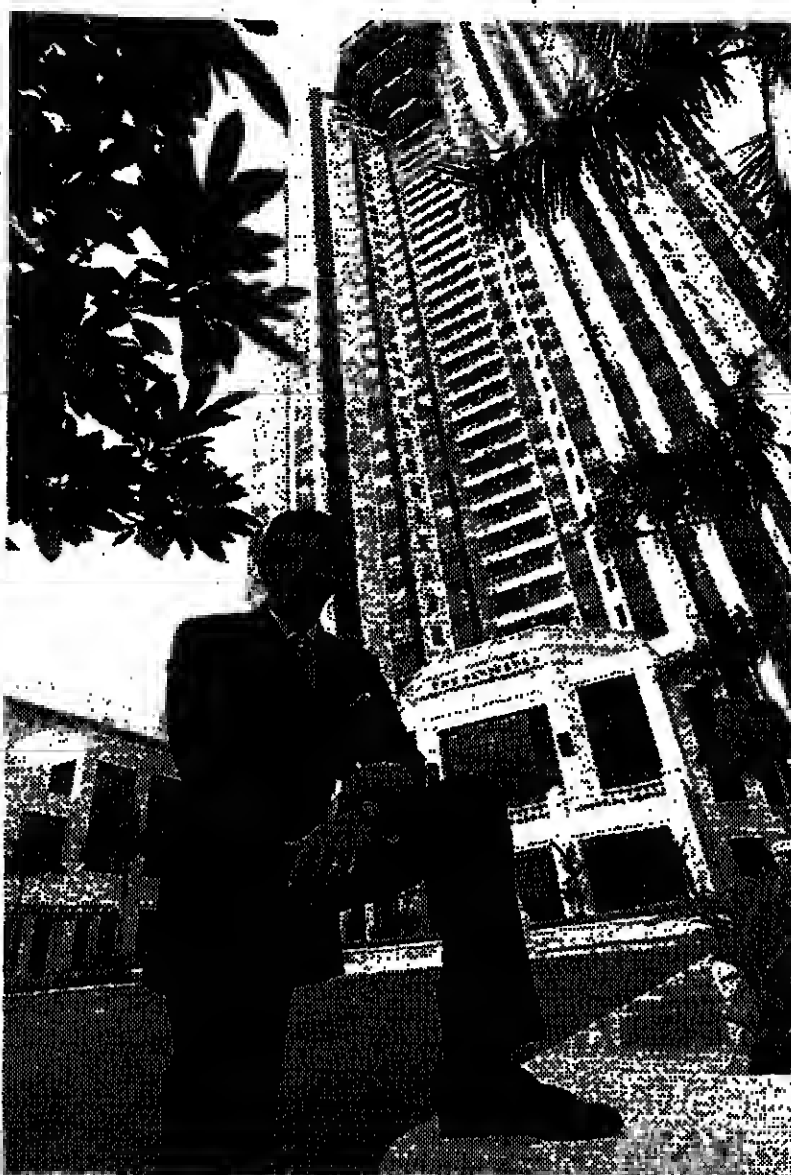
James Schiro, chief executive of Price-waterhouseCoopers, called the buoyant results of the CEO survey "an attitude, not a guarantee" of future corporate behavior. He nonetheless said it was an encouraging sign for the global economy because the business leaders polled appeared unhesitant about continuing to invest.

The survey was conducted between June and September, "when volatility in financial markets would have made caution and pessimism understandable," the survey said. It polled chief executives of large corporations in Asia, Europe, Latin America and North America.

Even in Asia, 71 percent of CEOs surveyed called themselves "optimistic" about future business.

The annual meeting of the World Economic Forum draws 2,000 participants to this ski resort, including the chief executives of many of the world's biggest companies, scores of government leaders and leading economists, for a flurry of brainstorming, negotiating and dealmaking.

Bile in Bangkok: Battle of the Luxury Hotels



Heinz Waldvogel, general manager of Bangkok's Peninsula Hotel.



Kurt Wachtveitl, who runs the Oriental Hotel in the Thai capital.

Low Sales and High Dudgeon in a Top-End Market

By Thomas Crampton
International Herald Tribune

BANGKOK — Folding his luncheon napkin neatly on the table, Kurt Wachtveitl, the immaculately dressed German-born general manager of the Oriental Hotel here, stood up to peer across the Chao Phraya River at a newly opened rival establishment.

"Oh, look," he said. "There are finally two people in the Peninsula's pool. It must be the barman and a waiter."

So the white gloves are off in Bangkok's battle of the luxury hotels.

Barbed insults and allegations of tug-of-war have been flying across this city's meandering brown river since late last year, when the Hong Kong-based Peninsula Group opened an opulent hotel on the opposite bank from establishments owned by two rival rivals: Mandarin Oriental Hotel Group International Ltd. and Shangri-La Hotels & Resorts.

Each of the three impeccably mannered, European-trained hotel managers insists on fair play and friendliness, but stories quickly spill out of scuffles over staff, amenities and location. Whispers have even been heard of a luxury-hotel price war.

The fundamental problem is a glut of rooms. While Thailand's tourist arrivals have nearly doubled over the past decade to more than 7 million a year, overinvestment in real estate tripled the number of top-flight hotel rooms, to more than 20,000 in Bangkok, over the same period.

Growing competition for clients, Mr. Wachtveitl said, has kept the Oriental's discounted room rate — now \$200 a night — steady for eight years. The hotels preserve their aura of exclusivity by keeping published rates high while offering regular discounts that can cut room rates by more than 25 percent. Virtually no guest in Bangkok pays the full rate.

The Shangri-La's discount price is now \$180 a night, including amenities such as free airport transfers, while the Peninsula undercuts both at \$175 a night.

"A price war is extremely dangerous when your hotel relies on a luxury image," said Richard Chapman, the soft-spoken Englishman who runs the Shangri-La. "The next 12 months will make a very interesting business-school study on the delicate balance between discount marketing and luxury image."

All three riverside hotels target affluent travelers, but their marketing tactics differ sharply.

The Oriental asserts an aristocratic heritage and plays up connections to famed writers who slept there, including Joseph Conrad and Barbara Cartland. The Peninsula promotes its sophisticated design and high-tech amenities; while the Shangri-La, with more rooms than the other two put together, claims to combine luxury lodging with world-class conference facilities.

The stakes are high, but the competition — and rhetoric — occasionally verges on the vulgar.

"All the publicity I see about that new hotel is how the toilets have six telephones and a waterproof

television set," Mr. Wachtveitl of the Oriental said over a three-course lunch at his formal Normandie Restaurant. "Personally I don't know how you would talk on them all, and this certainly is not what my guests want to do."

The Peninsula's bathrooms actually have just three telephones, Heinz Waldvogel, the general manager, said. But he maintains that his hotel's technology-packed privies — which include an automatic route on the television when calls come through to the bathtub — show that the Oriental is out of step with modern times.

"Top deluxe hotels should offer every possible amenity that clients have at home," he said, shouting above live rock music in his hotel's aerodynamically shaped pub.

Mr. Wachtveitl countered that he had often stayed as a guest in his clients' homes. "They live in chalets in Europe that are not cluttered with lights that turn on when you talk to them," he said. "They certainly do not want to feel like they are sleeping on a factory floor."

Location is extremely important in Bangkok, where the city's legendary traffic regularly slows movement on roads and bridges to a crawl — a distinct disadvantage to the Peninsula.

Sitting on the opposite side of the river from the central business district and from its two rivals, the Peninsula tries to minimize the impact of its location with a private ferry service of teak-festooned boats

See HOTELS, Page 12

For Yahoo!, Another Big Brand Name

Internet Search Service
Plans to Buy GeoCities

The Associated Press

NEW YORK — Yahoo! Inc. said Thursday that it would buy GeoCities Inc. for \$4.58 billion in stock, securing Yahoo!'s position among the dominant Internet search and directory services.

The deal gives Yahoo! another powerful brand name while helping GeoCities reach more users of the World Wide Web. Moreover, the addition of GeoCities' Internet traffic may make Yahoo! the No. 1 destination on the Web, according to figures from Media Matrix Inc., a research firm.

"We anticipate maintaining GeoCities as a stand-alone, very, very strong brand — there's a lot of brand equity in this company," said Tim Koogle, chief executive officer of Yahoo! The deal is expected to close by June.

The 52 percent premium Yahoo! is paying for GeoCities underscores the stratospheric valuations of these small companies, most of which did not exist a few years ago.

GeoCities' sales of \$7.5 million resulted in a loss of \$8.4 million last year. Yahoo! earned \$18.5 million on sales of \$76.4 million in its latest quarter.

Saul Hansell of The New York Times reported earlier:

Yahoo! is the top-rated of the Internet sites that have come to be known as portals because they serve as gateways to a wide range of information and online services. But most of its competitors have recently been bolstered through acquisitions.

At Home Corp. is starting to offer fast Internet services over cable television wires. Netscape Communications Corp., with its Netcenter portal, was bought by America Online Inc. Walt Disney Co. bought part of Infoseek Corp., another portal, and folded it into its own portal, Go Network. Microsoft Corp. has redoubled its efforts to promote its MSN portal.

This week, Compaq Computer Corp. announced plans to expand and partly spin off its Alta Vista portal service.

Paul Noglows of Hambrecht & Quist in San Francisco said of Yahoo! "GeoCities would not only give them incremental traffic but also the most significant player in the community space."

GeoCities is the leading service that creates electronic communities of people who share various interests. It mainly allows people to set up their own home pages on the Internet on any topic from family photos to sports-car collecting. With more than 3 million members, it is among the most popular sites on the Internet.

In December, Geocities.com was the third-most-visited Web site, with 19 million unique visitors, according to Media Matrix. The top-rated site was America Online's site, aol.com, with 28 million visitors. Yahoo! was No. 2 with 27 million.

GeoCities hopes to profit by selling advertising that appears on these home pages. But its revenue growth has been slower than other Internet companies because many advertisers are shy about placing their messages on pages that GeoCities does not have direct control over.

U.S. Steel Imports From Japan Fell in December

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. steel imports from Japan dropped sharply in December, the Commerce Department reported Thursday, which could ease the pressure on the government from American producers seeking sanctions against Japan.

The department provided preliminary figures showing that Japanese producers had shipped 384,577 metric tons of steel products into the United States, a 47 percent decrease from the total of 728,478 tons in November.

Charlene Barshefsky, the U.S. trade representative, had promised a government-initiated trade complaint against Japan unless the December figures showed a substantial reduction.

The issue of steel imports has become politically sensitive, with American steel producers and two steelworker unions filing dumping complaints against Japan, Russia and Brazil. The unions and producers accuse those countries of flooding the United States with hot-rolled carbon steel, the most common product, at prices lower than the costs of making it.

Even if Japan averts for now a U.S. government case, which could lead to quotas or broad tariffs on imports, that country still faces U.S. pressure on trade in the months ahead.

This week, President Bill Clinton's administration said it was reviving a controversial tool of U.S. trade policy, the so-called Super 301 provision, which threatens coun-

tries perceived as erecting barriers to U.S. goods with stiff sanctions. That move drew angry responses from Japan and the European Union.

The EU has called for a World Trade Organization dispute settlement panel to rule on Super 301, a spokesman for Sir Leon Brittan, the EU trade commissioner, said Thursday. The EU considers the provision incompatible with WTO regulations.

The sharp decrease in Japanese steel imports — as well as a parallel drop in imports from Russia in December — appears to reflect the prospect for additional tariffs threatened in a November ruling by the U.S. Commerce Department. A final ruling is not expected until this summer.

"It's not surprising there

was a pullback in December; that's when the political heat was really turned up," said Mark Vitor, an economist at First Union Capital Management in Charlotte, North Carolina. "The general theme is clearly there — volumes are up so much in '98."

For the year through November, Japanese imports climbed to 5.7 million metric tons, nearly three times the 2.1 million metric tons in the same period in 1997. Japan is the largest U.S. source of steel imports, which have driven down prices and contributed to more than 10,000 layoffs in the country's industry.

Shinya Okuda, director of the steel division at the Ministry of International Trade and Industry, said he expected the "declining trend" to

continue "into January and beyond" and said it "should allay concerns in the United States."

All told, U.S. steel imports in December were at 2.5 million metric tons, a 31 percent decrease from 3.6 million tons in November.

Final figures for December are due in about three weeks. Mr. Clinton's administration decided to release preliminary data, beginning with the December figures, to give the domestic industry an earlier warning of import trends. Officials expect the preliminary figures to equal about 96 percent of the final numbers.

Meanwhile, in a continuing standoff with the EU, U.S. trade representatives are engaged in talks at the WTO on a dispute over banana imports into Europe that threatens to turn into a trans-Atlantic trade war. Washington is threatening unilateral sanctions if the import regime is not changed, but Brussels argues that the WTO has not ruled that changes made to its trade system do not comply with trade rules and accuses the United States of bullying tactics.

The WTO dispute settlement body adopted an agenda Thursday to examine the dispute, paving the way for U.S. officials to ask permission to impose threatened sanctions on a range of EU imports. The United States says the EU banana policy unfairly favors producers in former European colonies in the Caribbean at the expense of largely U.S.-owned producers in Latin America.

(AP, AFP, Bloomberg)

CURRENCY RATES

Jan. 28 Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentine peso	7,599.00	Hong Kong dollar	7.7563	N. Zealand \$	1.372	Sov. Russian rub.	27.22		
Australian \$	7.5524	Indian rupee	42.498	Norw. krone	7.5161	S. Afric. rand	6.04		
Azerbaijan m.	1.92	Israeli sheq.	9.150	Pakistani rupee	51.16	S. Korea won	117.57		
Brazilian real	481.25	Japanese yen	109.50	Phil. peso	36.64	Taiwan \$	22.32		
Canadian peso	22.78	Korean won	109.50	Polish zloty	3.01	Thai baht	24.90		
Czech koruna	21.57	Latvian lats	1508	Russian ruble	22.67	Turkish lira	283.71		
Egypt. pound	2.455	Malay. ringg.	3.7995	Saudi riyal	3.755	UAE dirham	3.6727		
Hong Kong \$	7.7563	Malaysian ringg.	3.7995	Singapore \$	1.492	Vietnam. dong	272.35		
Source: Associated Press.									
European Cross Rates									
Intro-EMU rates are permanently fixed									
Unit	Per 100	Unit	Per 100	Unit	Per 100	Unit	Per 100	Unit	Per 100
Aust. Schilling	13.7603	Belg. Franc	40.3399	Irish punt	7.8756	Portug. escudo	200.482	Spanish peseta	166.386
French Franc	6.55957	Italian Lira	2036.27	Swiss franc	7.20				
German Mark	1.936	Spanish peseta	166.386						
Gr. Drachma	340.750								
Irish punt	7.8756								
Italian Lira	2036.27								
Neth. Guilder	1.936								
Portug. escudo	200.482								
Spanish peseta	166.386								
Swiss franc	7.20								
Fixed rates of the EMU member currencies for one euro:									
Austrian schilling	13.7603	Irish punt	7.8756	Portug. escudo	200.482	Spanish peseta	166.386		
Belgian franc	40.3399	Italian Lira	2036.27	Swiss franc	7.20				
French franc	6.55957	Neth. guilder	1.936						
German mark	1.936	Portug. escudo	200.482						
Gr. drachma	340.750	Spanish peseta	166.386						



STMicroelectronics

1998 CONSOLIDATED RESULTS

STMicroelectronics reports fourth quarter earnings per diluted share of USD 0.84 on net revenues of USD 1,132.7 million.

CONSOLIDATED STATEMENTS OF INCOME (Extracts)

In millions of US dollars (except per share data)	Financial year ended 31/12/98	31/12/97
Net revenues	4,247.8	4,019.2
Gross profit	1,624.8	1,561.8
Total operating expenses	(1,101.4)	(1,042.0)
Operating income	523.4	519.8
Net interest expenses	8.7	(2.6)
Income before income taxes and minority interests	532.1	517.2
Income tax expense	(120.4)	(113.0)
Net income before minority interests	411.7	404.2
Minority interests	(0.6)	2.4
Net income	411.1	406.6
Earnings per share	USD 2.92	USD 2.92
Earnings per share (diluted)	USD 2.89	USD 2.91

CONSOLIDATED BALANCE SHEET (Extracts)

In millions of US dollars	31/12/98	31/12/97
Total assets	6,434.0	5,445.7
Shareholders' equity	4,083.3	3,307.4

The full text of the fourth quarter and 1998 annual results' press release is available for the public at the office of Crédit Agricole Indosuez, Secrétariat Financier - Actions - 92920 Paris La Défense Cedex, FRANCE.

THE AMERICAS



Very briefly:

- Brazil's high interest rates and a sharp economic downturn pushed the unemployment rate up two percentage points last year, to 7.6 percent, according to the government-run IBGE statistics institute.
- Baxter International Inc., the world's second-biggest maker of medical devices and supplies, said fourth-quarter net earnings rose 16 percent, to \$212 million, on increased sales of products to treat blood and kidney problems.
- BB&T Corp., the fourth-largest bank in North Carolina, agreed to buy Mason-Dixon Bancshares Inc., of Maryland, for \$256.9 million in stock.
- Adelphia Communications Corp., the seventh-largest U.S. cable operator, is to buy FPL Group Inc.'s stake in Olympus Communications LP for \$257.2 million, giving Adelphia control of the Florida cable operator.
- Eli Lilly & Co., the maker of Prozac, the world's best-selling anti-depressant, said fourth-quarter profit rose 24 percent, to \$567.3 million from \$457.5 million a year earlier, as sales rose 17 percent, to \$2.64 billion. Prozac sales rose 8 percent, to \$744.5 million.
- Dow Chemical Co.'s fourth-quarter earnings fell to \$447 million before charges from \$479 million a year before amid pricing pressures on its chemical businesses.
- Lockheed Martin Corp., the second-biggest aerospace company, said fourth-quarter profit fell 15 percent, to \$308 million, as the company suffered from delayed commercial space launchings and military aircraft deliveries.
- Pitney Bowes Inc., the largest maker of postage meters, said fourth-quarter profit climbed 16 percent, to \$162.4 million, meeting estimates, led by increased sales of office equipment and digital meters.
- Ultramar Diamond Shamrock Corp., the sixth-largest U.S. oil refiner, is to cut 300 jobs as its fourth-quarter earnings fell 93 percent, to \$2.6 million, because of summer refining profit margins.

Dollar Hits Greenspan Renews Attack on Social Security Plan

A High as Euro Slips

NEW YORK — The dollar hit its highest rate so far against the euro as it also rose Thursday against most other major currencies on expectations that the U.S. economy would dominate those in Europe and Japan again this year.

"People are having a change of heart on the dollar," said Dan Scherman of MFS Asset Management in Boston. Markets had been

FOREIGN EXCHANGE

toning the "demise" of the dollar, he said, but "U.S. numbers have done nothing but diminish that thought. The economy isn't running on air."

In 4 P.M. trading, the euro was at \$1.1416, its lowest value since the single European currency was introduced at the start of this year, down from \$1.1438 on Wednesday.

The dollar rose to 116.350 yen, also a high for the year, from 115.775 yen. New U.S. data indicating strong orders for durable goods and growth in wages reinforced investors' confidence that the economy is not losing steam, which makes any cut in interest rates less likely. The European Central Bank, by contrast, is expected to cut rates, analysts said, to prevent recovery in the euro zone from fizzling.

"This is a good time to be buying dollars," said Fernando Medina, a senior trader at Banco Atlantico.

"These numbers confirm the strength of the economy, and with the ECB expected to cut rates, that's going to widen interest rate differentials" in the dollar's favor.

Investors bought the dollar ahead of the report due Friday on fourth-quarter U.S. gross domestic product. Economists have estimated that growth accelerated to an annual rate of 4.5 percent from the 3.7 percent rate in the third quarter. "I'm a long-term bull on the dollar," said Tony Norris, a director at First International Advisors Ltd. in London. "The strongest economy is the U.S."

The dollar also gained after the first deputy managing director of the International Monetary Fund, Stanley Fischer, said the fund was working "intensively" with Brazil to help stabilize the economy of the largest Latin American economy. The dollar rose to 1.4117 Swiss francs from 1.4098 francs. The pound rose to \$1.6493 from \$1.6460.

Compiled by Our Staff From Dispatches

WASHINGTON — The chairman of the Federal Reserve Board, Alan Greenspan, repeated Thursday his criticism of President Bill Clinton's proposal for investing Social Security funds in the stock market, saying the permanent solution to the pension fund's looming shortfall was to increase taxes or cut benefits.

"Increasing our national saving is critical," the central banker testified before the Senate Budget Committee, and transferring budget surpluses to the Social Security trust fund "is a major step in the right direction."

But investing any of that money in stocks "would arguably put at risk the efficiency of our capital markets and thus our economy," Mr. Greenspan said.

"Even with Herculean efforts, I doubt it if it would be feasible to insulate, over the long run, the trust

funds from political pressure — direct and indirect — to allocate capital to less than its most productive use," he said.

Mr. Greenspan noted that studies had shown that state and local pension funds that invested in stocks had lower average rates of return than private investments. "Similarly, there is evidence that suggests that, the greater the proportion of trustees who are political appointees, the lower the rate of return," he said.

Mr. Greenspan did not address the current state of the U.S. economy or monetary policy in his testimony.

On the politically sensitive issue of benefit cuts or tax increases, Mr. Greenspan said the demographics of having a huge baby-boom generation retiring and fewer workers left to support retirees had presented policymakers with few choices.

"In all likelihood, these taxes will have to be raised or benefits cut, given that the system as a whole is still significantly underfunded," Mr. Greenspan said.

Joe Lockhart, the White House press secretary, agreed on that point. "We could not agree with him more on the fact that we need to do more," he said. "The president has made clear that he needs to work with Congress in order to reform. In addition to reserving the surplus and paying down the debt, we need to do more to reform the system."

Another problem is that currently, Social Security tax revenue is invested in Treasury securities, and under the federal government's unified budget, that money helps pay for daily government operations. Moving a portion of that revenue into stocks would mean the government would have to sell them to

private buyers, which implies the government would have to pay higher interest rates, he suggested.

In his State of the Union message last week, Mr. Clinton urged the government to project budget surpluses over the next 15 years, an estimated \$4.4 trillion, for shoring up the retirement benefits system.

But the Fed chairman also questioned the wisdom of relying on projections that future surpluses would actually exist.

"While a sharp rise in the number of retirees in about 10 years seems almost a certainty, the financial and economic state of the American economy in the early years of the 21st century is not," Mr. Greenspan said. "We cannot confidently project large surpluses in our unified budget over the next 15 years."

(AP, Bloomberg)

Stocks Rise on Strong Growth Data

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices rose Thursday as investors welcomed high-profile takeovers, new signs of strong economic growth and a slew of positive earnings reports.

The Dow Jones industrial average finished 81.10 points higher at 9,281.33. Advancing issues led declines by an 8-to-7 ratio on the New York Stock Exchange.

The broader Standard & Poor's 500-stock index was up 22.20 points to 1,255.36.

The technology-heavy Nasdaq composite index rose 70.16 points to 2,477.33.

"This market is merger-driven," said Ted Theodore, director of research at Avatar Associates, "and you have this added feature of a very good earnings picture."

Ford shares rose 2 1/4 to 62 7/16 after it said it would buy the automotive operations of Volvo for \$6.45 billion.

But TRW Inc. slipped 3/4 to 50 1/4 after LucasVarity accepted its bid for the British auto-parts company.

The Internet search service Yahoo! rose 3 1/4 to 36 3/4 after it announced it was buying GeoCities. GeoCities shares soared 4 1/4 to 11 1/4.

"People are still aggressive buyers of technology stocks," said Robert Streed of Northern Trust. "The growth is clear, and the earnings are coming through."

Among other Internet-related stocks, America Online was up 9 1/4 after the on-line service provider reported that its second-

quarter earnings nearly quadrupled, to \$88 million.

"I love AOL," said Andrea Williams of Volpe Brown Whelan & Co. "They're so dominant. They're almost untouchable."

But the company suffered a setback Thursday when the Federal Communications Commission refused to force cable-TV companies to sell their new high-speed Internet hook-ups to competing Internet companies.

While investors have flocked to Internet stocks, the chairman of the Federal Reserve Board, Alan Greenspan, urged caution. In an appearance before the Senate Budget Committee, the central banker said prices of such shares were going up under a "lottery principle."

"The size of that potential market is so huge that you have these pie-in-the-sky type of potentials for a lot of different vehicles," Mr. Greenspan said, adding, "Undoubtedly, some of these small companies whose stock prices are going through the roof will justify even higher prices. The vast majority are almost sure to fail."

Investors took heart from two economic reports showing strong growth but no immediate signs of overheating.

Factory orders for durable goods rose 1.9 percent in December, the sixth rise in seven months, as demand for industrial hardware, elec-

tronics and electrical equipment accelerated. For all of last year, orders rose 3.5 percent after increasing 7.1 percent during 1997, the Commerce Department said, the smallest annual gain since 1991, when the economy was emerging from recession.

"The worst for our exporters is over," said a former Federal Reserve governor, Lyle Gramley, adding, "Manufacturing productivity continues to be very robust."

The Labor Department reported that Americans' wages and benefits rose last year by 3.4 percent, the fastest rate in five years and a slight improvement over 1997. But wages and benefits did cool in the fourth quarter, good news for investors who are worried that wage pressures could prompt the Federal Reserve to raise interest rates.

The data spurred bonds, with the yield on the benchmark 30-year Treasury bond falling to 5.10 percent from 5.13 percent on Wednesday.

Strong earnings reports drove other stocks.

Eli Lilly shares gained 1 7/16 at 91 3/16 after the drugmaker announced strong earnings and authorized a \$1 billion stock-repurchase program.

BankAmerica rose 2 1/4 to 64 1/4 after the chairman of the largest U.S. bank predicted that net income would rise 25 percent this year.

Intel shares rose 4 1/16 to 137 3/16 after the chipmaker announced a 2-for-1 stock split.

Charter Gains Cable Systems In Southeast

The Associated Press

NASHVILLE, Tennessee — Charter Communications Inc., one of the fastest-growing companies in the United States, is on the move again.

The company, owned by Paul Allen, a co-founder of Microsoft Corp., will gain cable systems serving about 260,000 customers in a complicated \$2.4 billion deal with Nashville-based InterMedia Partners and Telecommunications Inc.

TCI and Charter will acquire systems that InterMedia Partners now uses to serve about 700,000 customers in Georgia, North Carolina, South Carolina and Tennessee.

TCI, which is being acquired by AT&T Corp., will give up its 49 percent stake in InterMedia in exchange for InterMedia's 300,000 customers in the Nashville area and Charter's systems in several Indiana communities, as well as systems in Shelbyville, Kentucky, Logan, Utah and Milwaukie, Montana.

TCI's president, Leo Hindery, said InterMedia's rebuilt cable systems should help TCI provide the advanced services that will be offered after the merger with AT&T.

Charter will pay InterMedia an unspecified amount of cash and will give it systems serving 140,000 customers in Indiana, Kentucky, Utah and Montana. Charter will take over about 400,000 customers in the southeastern United States.

U. S. STOCK MARKET DIARY

Thursday, Jan. 28										
Indexes					Most Active					
Dow Jones					NYSE					
Index	High	Low	Open	Close	Vol.	High	Low	Open	Close	
Dow Jones	9280.37	9269.64	9269.64	9281.32	+0.16	Amulbank	184255	710	114	+80
S&P 500	1255.36	1248.17	1248.17	1255.36	+0.69	Amgen	15145	69	406	+0
Nasdaq	2476.34	2407.17	2407.17	2477.33	+0.16	Amgen	13995	5	25	+0
AMEX	743.33	707.18	707.18	743.33	+0.15	Amgen	13995	5	25	+0
Standard & Poors					Amgen	119484	348	258	+0	
Previous					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	1529.92	1508.85	1508.85	1529.92	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
Technology	1642.35	1625.45	1625.45	1642.35	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
Healthcare	252.38	248.32	248.32	252.38	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
Finance	120.25	117.25	117.25	120.25	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
SP 100	631.42	621.16	621.16	631.42	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
Nasdaq					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
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Healthcare	252.38	248.32	248.32	252.38	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
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SP 100	631.42	621.16	621.16	631.42	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
NYSE					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	1529.92	1508.85	1508.85	1529.92	+0.16	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0
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AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
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10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
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Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
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10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Bonds	106.06			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Utilities	104.74			+0.23	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
10 Industrials	108.62			+0.11	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
AMEX					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Industrials	714.88	706.95	713.93	+0.74	Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
Dow Jones Bond					Amgen <td>119484</td> <td>348</td> <td>258</td> <td>+0</td>	119484	348	258	+0	
High	Low	Open	Close	P.F.B.	Amgen <td>119484</td> <td>348</td> <td>258</td>	119484	348	258		

Trading Activity									
NYSE					Nasdaq				
Index	High	Low	Open	Close	Vol.	High	Low	Open	Close
Industrials	1529.92	1508.85	1508.85	1529.92	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Technology	1642.35	1625.45	1625.45	1642.35	532.23	532.23	521.36	521.36	532.23
Healthcare	252.38	248.32	248.32	252.38	743.33	743.33	707.18	707.18	743.33
Finance	120.25	117.25	117.25	120.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
SP 100	631.42	621.16	621.16	631.42	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36

Market Sales									
NYSE					Nasdaq				
Index	High	Low	Open	Close	Vol.	High	Low	Open	Close
Industrials	1529.92	1508.85	1508.85	1529.92	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Technology	1642.35	1625.45	1625.45	1642.35	532.23	532.23	521.36	521.36	532.23
Healthcare	252.38	248.32	248.32	252.38	743.33	743.33	707.18	707.18	743.33
Finance	120.25	117.25	117.25	120.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
SP 100	631.42	621.16	621.16	631.42	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36

Dividends									
STOCK SPLIT					STOCK SPLIT				
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
American Express	2.25	2.25	1	1	1	American Express	2.25	2.25	1
Consolidated Edison	1.25	1.25	1	1	1	Consolidated Edison	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1
First Energy	1.25	1.25	1	1	1	First Energy	1.25	1.25	1

INTERNATIONAL FUTURES

Thursday, Jan. 28									
Grains					Metals				
Index	High	Low	Open	Close	Vol.	High	Low	Open	Close
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	532.23	532.23	521.36	521.36	532.23
Wheat	1.25	1.25	1.25	1.25	743.33	743.33	707.18	707.18	743.33
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36
Wheat	1.25	1.25	1.25	1.25	1,255.36	1,255.36	1,248.17	1,248.17	1,255.36

INTERNATIONAL FUTURES

Wheat RA, NA, T1541 -0.05 45.771 200 million lbs. per 100 lbs. Mar. 99 74.00 74.00 74.00 74.00 Apr. 99 74.00 74.00 74.00 74.00 May 99 74.00 74.00 74.00 74.00 Jun 99 74.00 74.00 74.00 74.00 Jul 99 74.00 74.00 74.00 74.00 Aug 99 74.00 74.00 74.00 74.00 Sep 99 74.00 74.00 74.00 74.00 Oct 99 74.00 74.00 74.00 74.00 Nov 99 74.00 74.00 74.00 74.00 Dec 99 74.00 74.00 74.00 74.00 Jan 00 74.00 74.00 74.00 74.00 Feb 00 74.00 74.00 74.00 74.00 Mar 00 74.00 74.00 74.00 74.00 Apr 00 74.00 74.00 74.00 74.00 May 00 74.00 74.00 74.00 74.00 Jun 00 74.00 74.00 74.00 74.00 Jul 00 74.00 74.00 74.00 74.00 Aug 00 74.00 74.00 74.00 74.00 Sep 00 74.00 74.00 74.00 74.00 Oct 00 74.00 74.00 74.00 74.00 Nov 00 74.00 74.00 74.00 74.00 Dec 00 74.00 74.00 74.00 74.00 Jan 01 74.00 74.00 74.00 74.00 Feb 01 74.00 74.00 74.00 74.00 Mar 01 74.00 74.00 74.00 74.00 Apr 01 74.00 74.00 74.00 74.00 May 01 74.00 74.00 74.00 74.00 Jun 01 74.00 74.00 74.00 74.00 Jul 01 74.00 74.00 74.00 74.00 Aug 01 74.00 74.00 74.00 74.00 Sep 01 74.00 74.00 74.00 74.00 Oct 01 74.00 74.00 74.00 74.00 Nov 01 74.00 74.00 74.00 74.00 Dec 01 74.00 74.00 74.00 74.00 Jan 02 74.00 74.00 74.00 74.00 Feb 02 74.00 74.00 74.00 74.00 Mar 02 74.00 74.00 74.00 74.00 Apr 02 74.00 74.00 74.00 74.00 May 02 74.00 74.00 74.00 74.00 Jun 02 74.00 74.00 74.00 74.00 Jul 02 74.00 74.00 74.00 74.00 Aug 02 74.00 74.00 74.00 74.00 Sep 02 74.00 74.00 74.00 74.00 Oct 02 74.00 74.00 74.00 74.00 Nov 02 74.00 74.00 74.00 74.00 Dec 02 74.00 74.00 74.00 74.00 Jan 03 74.00 74.00 74.00 74.00 Feb 03 74.00 74.00 74.00 74.00 Mar 03 74.00 74.00 74.00 74.00 Apr 03 74.00 74.00 74.00 74.00 May 03 74.00 74.00 74.00 74.00 Jun 03 74.00 74.00 74.00 74.00 Jul 03 74.00 74.00 74.00 74.00 Aug 03 74.00 74.00 74.00 74.00 Sep 03 74.00 74.00 74.00 74.00 Oct 03 74.00 74.00 74.00 74.00 Nov 03 74.00 74.00 74.00 74.00 Dec 03 74.00 74.00 74.00 74.00 Jan 04 74.00 74.00 74.00 74.00 Feb 04 74.00 74.00 74.00 74.00 Mar 04 74.00 74.00 74.00 74.00 Apr 04 74.00 74.00 74.00 74.00 May 04 74.00 74.00 74.00 74.00 Jun 04 74.00 74.00 74.00 74.00 Jul 04 74.00 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EUROPE

TRW Prevails in the Bidding for Lucas Varsity

CLEVELAND — TRW Inc. outbid another American company Thursday to acquire the top British auto-parts maker, Lucas Varsity PLC, in an all-cash \$6.6 billion deal, the companies announced Thursday.

Federal-Mogul Corp. opened the bidding war for Lucas Varsity by offering 280 pence (\$4.60) a share in cash and stock Monday, a 36 percent premium over the closing share price Friday.

TRW said its offer of 288 pence a share represented the largest cash deal yet in the auto-parts industry.

Lucas Varsity closed Thursday at 290 pence, up 6.

Federal-Mogul said it would study the bid before deciding whether

to raise its offer. The TRW deal, which was accepted by the boards of both companies, calls for Lucas Varsity to pay TRW a \$49.8 million fee if it breaks the accord.

Lucas Varsity is the second-largest maker of brakes, after Robert Bosch GmbH of Germany. Cleveland-based TRW is the top American maker of vehicle-passenger airbags.

TRW said the deal would lead to savings of \$200 million annually within two years. The combined company would have annual revenue of nearly \$19 billion.

TRW wants to strengthen its auto business, which provides 60 percent of its revenue, analysts say, before selling or spinning it off to better focus on its faster-growing space, defense and technology unit.

Andrew Casey of Midwest Research Inc. said, "This acquisition should be very beneficial to TRW on both an earnings basis and as a catalyst for automotive growth."

The offer is "very favorable," said Jacques-Antoine Bretelle of International Capital Gestion in Paris. "Car-parts suppliers must join up even more rapidly than the car-makers." The auto-parts industry is consolidating as companies try to expand internationally and supply entire parts systems rather than individual parts.

Carmakers are consolidating globally, forcing suppliers of components to do the same.

In addition to Daimler-Benz AG's takeover of Chrysler Corp. last year, Ford Motor Co. agreed

Thursday to buy Volvo AB's car unit. Victor Rice, chief executive officer of Lucas Varsity, is to be named vice chairman of TRW and to direct the combined automotive operations of the company.

He said, "The benefits of the two companies' complementary products and services are reflected in the full and fair price we have received for Lucas Varsity."

Joseph Gorman, TRW's chairman and chief executive officer, called the deal "a great fit."

"Specifically," he said, "it enables the integration of TRW's steering and suspension business with Lucas Varsity's braking business into the next generation of vehicle control systems."

(AP, Bloomberg)

Alcatel Net Rises, but Stock Falls

PARIS — Alcatel SA reported Thursday that its net income last year rose to 2.3 billion euros (\$2.6 billion) from 700 million euros in 1997, but most of the increase was the result of asset sales, and shares of the French telecommunications equipment maker fell 3.5 percent.

Operating income rose 10.2 percent, to 1 billion euros, well below analysts' predictions of at least 2.4 billion euros and less than the target set by the company a year ago.



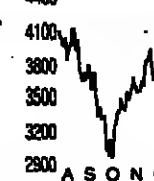
Sales increased 6 percent, to 21.3 billion euros, with 53 percent of revenue coming from North America and only 7 percent from Europe.

Alcatel's shares finished at 98.50 euros, down 3.60.

The company's chief executive, Serge Tchuruk, projected growth in sales and operating income in 1999 despite the uncertain global economic outlook, particularly for Asia and Latin America.

But Bernard Lechat, chief analyst at the Wargny brokerage, said the company was "in the middle of a cower, businesswise."

Investor's Europe

Frankfurt DAX	London FTSE 100 index	Paris CAC 40		
				
A S O N D J 1998 1999	A S O N D J 1998 1999	A S O N D J 1998 1999		
Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	538.98	531.59	+1.39
Brussels	BEL-20	3,405.91	3,383.52	+1.26
Frankfurt	DAX	5,086.41	5,061.18	+0.70
Copenhagen	Stock Market	636.32	636.65	-0.05
Helsinki	HEX General	6,163.29	6,128.19	+0.57
Ose	OBX	541.29	525.34	+3.04
London	FTSE 100	5,872.50	5,876.40	-0.07
Madrid	Stock Exchange	870.31	853.59	+1.96
Milan	MIBTEL	23682	23167	+1.70
Paris	CAC 40	4,199.67	4,086.10	+2.48
Stockholm	SX 16	4,070.63	3,965.59	+2.65
Vienna	ATX	1,082.47	1,059.66	+0.27
Zurich	SPI	4,495.41	4,440.06	+1.25

Cheap Phones Hurt Ericsson

STOCKHOLM — Ericsson AB reported Thursday that fourth-quarter net profit fell 3 percent on lower prices for its mobile phones.

The company, the third-largest maker of cell phones, said it earned 4.75 billion kronor (\$616.1 million), compared with 4.88 billion kronor a year earlier. Revenue from its mobile phones and terminals division fell 3 percent in the quarter as phone prices fell 30 percent. But the company said it had kept its share of the expanding cellular-phone market by increasing sales volume about 50 percent.

"Ericsson's result for the first half 1999 is expected to be lower than in the first half 1998," the chief executive, Sven-Christer Nilsson, said.

(Bloomberg, Reuters)

Paris and Zurich Bourses Forge Link

PARIS — The Paris and Zurich stock exchanges unveiled a cross-membership alliance Thursday that seemed aimed at giving the Paris Bourse more leverage in talks with seven other European exchanges over what a European bourse should look like.

Seven of the eight exchanges involved in pan-European bourse talks are now aligned to three blocs: London-Frankfurt-Madrid; Amsterdam-Brussels; and Paris-Zurich. Borsa Italiana is the only exchange involved that is not yet in an alliance.

Paris began seeking a partner after London's stock exchange and Deutsche Boerse in Frankfurt announced plans for a common trading platform last July.

Presenting the deal, the president of the Paris Bourse, Jean-Francois

Theodore, said medium-sized companies should have access to the electronic platform that would serve as the foundation of a pan-European bourse.

Frankfurt and London want to grant access only to blue-chip companies.

Under the new agreement, members of the Swiss Exchange are to become members of the Paris Bourse, and vice versa, by the end of the first quarter.

■ Eurex Loses a Suitor

Eurex, the largest derivatives exchange in Europe, may be forced to seek a new partner after the Chicago Board of Trade voted to scrap a proposed alliance. Bloomberg News reported from London, quoting clients of the exchange.

Members of the CBOT, the

world's largest futures exchange, voted 450 to 390 late Wednesday to reject developing an electronic trading platform with Eurex, a German-Swiss futures exchange. The system would have enabled traders to view information on CBOT's Treasury contracts and Eurex futures on a single screen.

Eurex may have to consider an accord or merger with a rival such as the London International Financial Futures and Options Exchange, the Chicago Mercantile Exchange or the Matif futures exchange of France to satisfy its goal of making the Frankfurt-based exchange the world's largest marketplace for trading derivatives.

Joerg Franke, chief executive of Eurex, said that it had no firm plans to merge or form links with any other exchange.

■ Rhone-Poulenc Posts Profit

The French pharmaceutical concern Rhone-Poulenc SA announced a return to profit for 1998. Reuters reported. The company also forecast annual earnings growth of 15 percent over the next three years.

Net income was 4.22 billion francs (\$737 million) last year, reversing a loss of 4.99 billion francs in 1997. Operating profit rose 24 percent, to 11.42 billion francs.

WORLD STOCK MARKETS

Thursday, Jan. 28
Prices in local currencies
in euros for ERM countries.
Telekurs

High Low Close Prev.

Amsterdam AEX Index: 538.98
Previous: 531.59

Brussels BEL-20
Previous: 3,405.91

Frankfurt DAX
Previous: 5,086.41

Copenhagen Stock Market
Previous: 636.32

Helsinki HEX General
Previous: 6,163.29

Ose OBX
Previous: 541.29

London FTSE 100
Previous: 5,872.50

Madrid Stock Exchange
Previous: 870.31

Milan MIBTEL
Previous: 23682

Paris CAC 40
Previous: 4,199.67

Stockholm SMI
Previous: 4,070.63

Vienna ATX
Previous: 1,082.47

Zurich SPI
Previous: 4,495.41

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Kuala Lumpur

High Low Close Prev.

Amman ASE Index: 1,000.00

Beijing SSE Index: 1,000.00

Bombay BSE Index: 1,000.00

Buenos Aires Merval Index: 1,000.00

Calcutta S&P Index: 1,000.00

Cairo EGX Index: 1,000.00

Chengdu CSE Index: 1,000.00

Dhaka DSE Index: 1,000.00

Hong Kong Hang Seng: 1,000.00

Kuala Lumpur KLSE Index: 1,000.00

London FTSE 100: 1,000.00

Manila PSE Index: 1,000.00

Medan IDX Index: 1,000.00

Mexico BMF Index: 1,000.00

Moscow MICEX Index: 1,000.00

Mumbai BSE Index: 1,000.00

Nairobi NSE Index: 1,000.00

Osaka TOPIX Index: 1,000.00

Paris CAC 40: 1,000.00

Seoul KOSPI Index: 1,000.00

Singapore S&P Index: 1,000.00

Taipei TSE Index: 1,000.00

Tokyo Nikkei: 1,000.00

Vienna ATX: 1,000.00

Zurich SPI: 1,000.00

Brussels BEL-20: 1,000.00

Frankfurt DAX: 1,000.00

Copenhagen Stock Market: 1,000.00

Helsinki HEX General: 1,000.00

Ose OBX: 1,000.00

London FTSE 100: 1,000.00

Madrid Stock Exchange: 1,000.00

Milan MIBTEL: 1,000.00

Paris CAC 40: 1,000.00

Stockholm SMI: 1,000.00

Vienna ATX: 1,000.00

Zurich SPI: 1,000.00

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Ose OBX: 1,000.00

London FTSE 100: 1,000.00

Madrid Stock Exchange: 1,000.00

Milan MIBTEL: 1,000.00

Manila

High Low Close Prev.

Amman ASE Index: 1,000.00

Beijing SSE Index: 1,000.00

Bombay BSE Index: 1,000.00

Buenos Aires Merval Index: 1,000.00

Calcutta S&P Index: 1,000.00

Cairo EGX Index: 1,000.00

Chengdu CSE Index: 1,000.00

Dhaka DSE Index: 1,000.00

Hong Kong Hang Seng: 1,000.00

Kuala Lumpur KLSE Index: 1,000.00

London FTSE 100: 1,000.00

Manila PSE Index: 1,000.00

Medan IDX Index: 1,000.00

Mexico BMF Index: 1,000.00

Moscow MICEX Index: 1,000.00

Mumbai BSE Index: 1,000.00

Nairobi NSE Index: 1,000.00

Osaka TOPIX Index: 1,000.00

Paris CAC 40: 1,000.00

Seoul KOSPI Index: 1,000.00

Singapore S&P Index: 1,000.00

Taipei TSE Index: 1,000.00

Tokyo Nikkei: 1,000.00

Vienna ATX: 1,000.00

Zurich SPI: 1,000.00

Brussels BEL-20: 1,000.00

Frankfurt DAX: 1,000.00

Copenhagen Stock Market: 1,000.00

Helsinki HEX General: 1,000.00

Ose OBX: 1,000.00

London FTSE 100: 1,000.00

Madrid Stock Exchange: 1,000.00

Milan MIBTEL: 1,000.00

Paris CAC 40: 1,000.00

Stockholm SMI: 1,000.00

Vienna ATX: 1,000.00

Zurich SPI: 1,000.00

Brussels BEL-20: 1,000.00

Frankfurt DAX: 1,000.00

Copenhagen Stock Market: 1,000.00

Helsinki HEX General: 1,000.00

Ose OBX: 1,000.00

London FTSE 100: 1,000.00

Madrid Stock Exchange: 1,000.00

Milan MIBTEL: 1,000.00

Paris CAC 40: 1,000.00

Stockholm SMI: 1,000.00

Vienna ATX: 1,000.00

Zurich SPI: 1,000.00

Brussels BEL-20: 1,000.00

Frankfurt DAX: 1,000.0

NASDAQ[illegible]**AMEX**

Thursday's 4 P.M. Close					
The 150 most traded stocks of the day, up to the closing on Wall Street.					
The Associated Press.					
Stock	Sales	High	Low	Latest	Change
Am. Can. Co.	100	100 1/2	100	100 1/2	+1/2
Am. Express	100	100 1/2	100	100 1/2	+1/2
Am. Tobacco	100	100 1/2	100	100 1/2	+1/2
Am. Tel. & Tel.	100	100 1/2	100	100 1/2	+1/2
Am. Water	100	100 1/2	100	100 1/2	+1/2
Am. Wire	100	100 1/2	100	100 1/2	+1/2
Am. Zinc	100	100 1/2	100	100 1/2	+1/2
Am. Oil	100	100 1/2	100	100 1/2	+1/2
Am. Gas	100	100 1/2	100	100 1/2	+1/2
Am. Sugar	100	100 1/2	100	100 1/2	+1/2
Am. Cotton	100	100 1/2	100	100 1/2	+1/2
Am. Wool	100	100 1/2	100	100 1/2	+1/2
Am. Lumber	100	100 1/2	100	100 1/2	+1/2
Am. Paper	100	100 1/2	100	100 1/2	+1/2
Am. Glass	100	100 1/2	100	100 1/2	+1/2
Am. Rubber	100	100 1/2	100	100 1/2	+1/2
Am. Steel	100	100 1/2	100	100 1/2	+1/2
Am. Iron	100	100 1/2	100	100 1/2	+1/2
Am. Coal	100	100 1/2	100	100 1/2	+1/2
Am. Copper	100	100 1/2	100	100 1/2	+1/2
Am. Lead	100	100 1/2	100	100 1/2	+1/2
Am. Tin	100	100 1/2	100	100 1/2	+1/2
Am. Zinc	100	100 1/2	100	100 1/2	+1/2
Am. Nickel	100	100 1/2	100	100 1/2	+1/2
Am. Silver	100	100 1/2	100	100 1/2	+1/2
Am. Gold	100	100 1/2	100	100 1/2	+1/2
Am. Platinum	100	100 1/2	100	100 1/2	+1/2
Am. Palladium	100	100 1/2	100	100 1/2	+1/2
Am. Iridium	100	100 1/2	100	100 1/2	+1/2
Am. Rhodium	100	100 1/2	100	100 1/2	+1/2
Am. Rhenium	100	100 1/2	100	100 1/2	+1/2
Am. Ruthenium	100	100 1/2	100	100 1/2	+1/2
Am. Selenium	100	100 1/2	100	100 1/2	+1/2
Am. Tellurium	100	100 1/2	100	100 1/2	+1/2
Am. Vanadium	100	100 1/2	100	100 1/2	+1/2
Am. Niobium	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	+1/2
Am. Arsenic	100	100 1/2	100	100 1/2	+1/2
Am. Antimony	100	100 1/2	100	100 1/2	+1/2
Am. Bismuth	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	+1/2
Am. Arsenic	100	100 1/2	100	100 1/2	+1/2
Am. Antimony	100	100 1/2	100	100 1/2	+1/2
Am. Bismuth	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	+1/2
Am. Arsenic	100	100 1/2	100	100 1/2	+1/2
Am. Antimony	100	100 1/2	100	100 1/2	+1/2
Am. Bismuth	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	+1/2
Am. Arsenic	100	100 1/2	100	100 1/2	+1/2
Am. Antimony	100	100 1/2	100	100 1/2	+1/2
Am. Bismuth	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	+1/2
Am. Arsenic	100	100 1/2	100	100 1/2	+1/2
Am. Antimony	100	100 1/2	100	100 1/2	+1/2
Am. Bismuth	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	+1/2
Am. Arsenic	100	100 1/2	100	100 1/2	+1/2
Am. Antimony	100	100 1/2	100	100 1/2	+1/2
Am. Bismuth	100	100 1/2	100	100 1/2	+1/2
Am. Manganese	100	100 1/2	100	100 1/2	+1/2
Am. Chromium	100	100 1/2	100	100 1/2	+1/2
Am. Molybdenum	100	100 1/2	100	100 1/2	+1/2
Am. Cobalt	100	100 1/2	100	100 1/2	+1/2
Am. Cadmium	100	100 1/2	100	100 1/2	+1/2
Am. Barium	100	100 1/2	100	100 1/2	+1/2
Am. Strontium	100	100 1/2	100	100 1/2	+1/2
Am. Calcium	100	100 1/2	100	100 1/2	+1/2
Am. Magnesium	100	100 1/2	100	100 1/2	+1/2
Am. Sodium	100	100 1/2	100	100 1/2	+1/2
Am. Potassium	100	100 1/2	100	100 1/2	+1/2
Am. Lithium	100	100 1/2	100	100 1/2	+1/2
Am. Beryllium	100	100 1/2	100	100 1/2	+1/2
Am. Boron	100	100 1/2	100	100 1/2	+1/2
Am. Carbon	100	100 1/2	100	100 1/2	+1/2
Am. Nitrogen	100	100 1/2	100	100 1/2	+1/2
Am. Oxygen	100	100 1/2	100	100 1/2	+1/2
Am. Fluorine	100	100 1/2	100	100 1/2	+1/2
Am. Chlorine	100	100 1/2	100	100 1/2	+1/2
Am. Sulfur	100	100 1/2	100	100 1/2	+1/2
Am. Phosphorus	100	100 1/2	100	100 1/2	

NYSE

Thursday's 4 P.M. Close

(Continued)

Stock	Dr	Yd	PE	High	Low	Last	Open	Close	Change
Am. Can. Co.						100	100	100	0
Am. Oil Co.						100	100	100	0
Am. Sugar Co.						100	100	100	0
Am. Tobacco Co.						100	100	100	0
Am. Waterworks Co.						100	100	100	0
Am. Wire & Cable Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	100	0
Am. Rubber Co.						100	100	100	0
Am. Textile Co.						100	100	100	0
Am. Traction Co.						100	100	100	0
Am. United Fruit Co.						100	100	100	0
Am. United States Steel Co.						100	100	100	0
Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
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Am. Woolen Co.						100	100	100	0
Am. Zinc & Lead Co.						100	100	100	0
Am. Iron & Steel Co.						100	100	100	0
Am. Lumber Co.						100	100	100	0
Am. Paper Co.						100	100	100	0
Am. Petroleum Co.						100	100	10	

ASIA/PACIFIC

Kim Vows to End All Investment Red Tape



Kim Dae Jung, who tells foreign investors, "Please come in."

By Don Kirk
International Herald Tribune

SEOUL — President Kim Dae Jung, hoping to persuade foreign companies to invest \$15 billion in South Korea this year, promised Thursday to cut all regulations hindering foreign investment by the end of the year.

Mr. Kim made the pledge before several hundred foreign business people, diplomats and journalists at a luncheon celebrating what he and his aides clearly viewed as South Korea's triumph over the worst of the economic crisis that almost bankrupted the country in late 1997.

Since his inauguration as president last February, he said, he had

cut by half what he said were "11,000 regulations" that made life difficult for foreign companies operating in South Korea.

"This year we will make sure the regulations are all abolished," he said.

Mr. Kim's remarks — and the atmosphere of the lavish luncheon in the Blue House, the center of presidential power here — underlined the shift in outlook toward foreign interests that he has sought to bring about during his presidency.

"Koreans in the past have had a very negative attitude toward foreign investment," Mr. Kim said. "That is because we are a homogeneous nation."

He maintained, however, that his

government had managed "to convince Korean people" of the need to view foreign business positively. Foreign direct investment rose 27 percent in 1998, to \$8.85 billion.

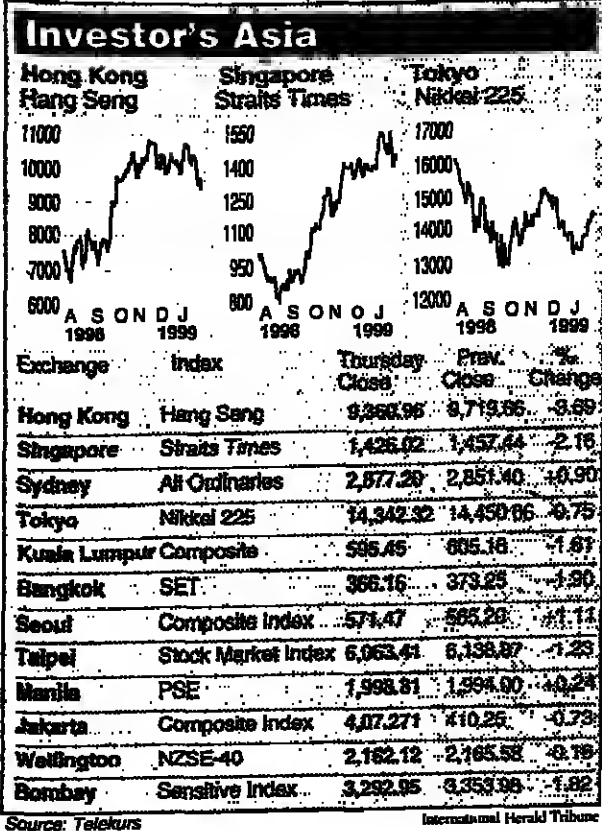
"The dominant part of the Korean people welcome foreign investment," Mr. Kim said. "Please come in. We want to make an environment most favorable to foreign capital."

Mr. Kim held luncheon amid increasing signs here that the economy has rebounded. Some of the business people at the luncheon warned, however, of the danger of overconfidence while the country coped with rising unemployment and the reluctance of the country's massive conglomerates, or *chaebol*, to restructure or downsize significantly.

"We have the risk of declaring success prematurely," said James Rooney, president of Saengyoung Templeton Investment Management Co. "Korea's credibility rests on recognizing the huge restructuring task that lies ahead."

At the same time, Mr. Rooney said, "There's no clear focus on delivering growth or shareholder profit."

The greatest single concern, Mr. Rooney said, is that "we will lose competitiveness by premature strengthening" of the won. The South Korean currency sank to nearly 2,000 to the dollar 13 months ago, but has been gaining value ever since; it traded Thursday in New York at 1,175.70 to the dollar.



Very briefly:

- Central Investment Holding Co., a business arm of Taiwan's governing Nationalist Party, led a group of companies that bought a 22.5 percent stake in Pao Asia Bank for 2.65 billion Taiwan dollars (\$82 million), bringing one of Taiwan's weakest banks under de facto government control.
- Philippine Airlines Inc., trying to prevent the confiscation of its aircraft, plans to pay \$38 million to creditors who helped finance its fleet.
- Southeast Asia's tourism industry has cut 2 million workers as recession in the region has hurt travel, figures from the World Travel and Tourism Council showed.
- Japanese auto production fell 8.4 percent in December from a year earlier, closing the industry's worst year in decades as domestic sales plummeted and exports within Asia plunged.
- Toshiba Corp. and Mitsubishi Electric Corp. will join forces to try to cope with global competition in developing and producing large-capacity motors for industrial use.
- Hong Kong's deficit in visible trade, which excludes intangibles such as services, narrowed in 1998 to \$1.44 billion dollars (\$10.51 billion) from \$19.14 billion dollars in 1997.
- Singapore's industrial output posted its first rise in eight months in December, gaining 2.7 percent over the previous year, as a surge in chemical production offset a drop in electronics.

Fuji Bank to Absorb Ailing Yasuda Trust

TOKYO — Fuji Bank Ltd. said Thursday that it would turn Yasuda Trust & Banking Co. into a subsidiary by buying 300 billion yen (\$2.59 billion) of Yasuda's common and preferred shares.

The purchase, which will take place at the end of March, will raise Fuji Bank's stake in Yasuda Trust to more than 50 percent from 16.8 percent.

When the two banks are combined, they will be Japan's second-largest banking concern, with 62,579 trillion yen in assets and 365 branches.

The long-anticipated move comes as major trust banks are cutting costs and revamping businesses under government pressure to improve profits in return for public aid.

The two banks said the takeover would reduce costs and bolster annual profit by an estimated 30 billion yen starting in four years. The banks will share computer centers, software development costs and other back-office expenses, they said.

Yasuda, which is heavily burdened by nonperforming loans, is a member of the Fuyo corporate group.

"Fuji Bank is the core bank of the Fuyo group," said Noriomi Kunishige of Lehman Brothers in Tokyo, "and in

order to maintain the group and the bank's credibility, Fuji Bank is not allowed to let troubled Yasuda Trust go bankrupt."

Mr. Kunishige said Yasuda had bowed to the inevitable takeover after the Financial Reconstruction Commission, a new bank reform authority, warned that banks that had not restructured their operations would be closed.

"It is good for Yasuda Trust," said Katsuhito Sasajima of Warburg Dillon Read, "as it means Fuji will take care of it from now on. However, I doubt whether this is good for Fuji."

After Fuji Bank's announcement, Moody's Investors Service Inc. said it may raise Yasuda's credit rating, now at Baa1.

With the extra capital from Fuji Bank, Yasuda Trust said it would no longer need to apply for government funds in the year that ends in March. Yasuda Trust, along with 14 other major Japanese lenders, said last year that it would ask for money from a 25 trillion yen bank bailout fund to replenish capital after writing off bad loans.

Fuji Bank and Dai-ichi Kangyo Bank Ltd. said in November that they would merge their trust banking subsidiaries April 1. The two banks also agreed to buy three Yasuda Trust businesses, in-

cluding its pension fund management and its securities custodian service.

Financial sources said Japan's Financial Supervisory Agency had pressed Fuji Bank to make Yasuda Trust a subsidiary to help Yasuda obtain public funds in order to recapitalize. A Fuji Bank spokesman said the bank might ask for more government aid than the 700 billion yen it indicated it would seek in November.

Fuji Bank finished 7 yen lower at 486, while Yasuda Trust dropped 1 to 92. The purchase was announced after the Japanese stock market closed.

(Reuters, Bloomberg, AFP)

Japan Output Rise Called a Blip

Japan's industrial production rose unexpectedly in December, but this appeared to be a blip, as output for all of 1998 posted its worst drop in 23 years, government data showed Thursday, Reuters reported.

Output rose 1.3 percent in December from November, the Ministry of International Trade and Industry said, well above the ministry's prediction of 0.3 percent. But analysts said the improvement was largely a result of public works spending, not private demand, and the ministry acknowledged that the data had not shown any recovery trend.

In Japan, GMAC Seeks Property-Backed Loans

Bloomberg News

TOKYO — General Motors Acceptance Corp., a financial services unit of the world's largest automaker, has budgeted \$1 billion to buy Japanese bad loans backed by property, a lawyer for GMAC in Tokyo said Thursday.

It would be the company's first venture into real-estate investment in Japan, said the lawyer, Koichi Nakata, who last week accompanied GMAC officials to meet representatives of banks and casualty insurers.

"We'll be talking to some companies about specifics ahead of March 31, the end of the business year," Mr. Nakata said.

The move puts GMAC alongside Credit Suisse First Boston and other U.S. and European investors who are using Japan's financial crisis as an opportunity to shop for real-estate-backed loans at bargain prices. Japanese banks are saddled with trillions of yen in unrecoverable loans that they need to get off their books as soon as possible.

U.S. investors spent about \$6 billion last year on bad loans backed by property in Japan, according to an estimate by Ernst & Young Kenneth Leventhal's Asia real-estate group.

Those loans were bought for as little as 10 percent of book value, the company said.

Japanese banks are particularly anxious to purge their books of bad loans now, since the government took over Nippon Credit Bank Ltd., saying the bank had more losses than it could cover with capital.

GMAC will develop and manage the property it buys rather than resell it for a fast profit, Mr. Nakata said. It may later invest in other types of property, he said.

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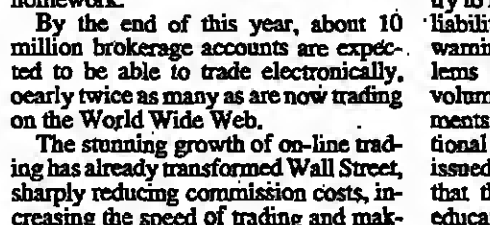
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and, to reduce the problems and insulate themselves from possible lawsuits, many companies are posting disclaimers and statements about trading that are influenced by volatility and high trading volume on their Web sites. Those statements were posted even before the National Association of Securities Dealers issued its notice Tuesday recommending that firms begin to take steps to educate investors about delays and other

51.03.94 of 3.7% per share) tax-credit Ps. 0.225 = Euro 0.33 per GDR. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

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January 28, 1999
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SPORTS

Unseeded Wonder Serves Davenport a Defeat

MELBOURNE — The brushfire that has transformed unseeded men's tennis players into world-beaters jumped geodars on Thursday, as Lindsay Davenport was scorched in the semifinals of the Australian Open by a French 19-year-old named Amelie Mauresmo.

Mauresmo upset the No. 1 seed, 4-6, 7-5, 6-3, on a humid afternoon to earn a place in the final of the year's first Grand Slam tournament Saturday against Martina Hingis, the No. 2 seed.

Hingis became the first person to beat Monica Seles in the Australian Open, winning 6-2, 6-4, in straightforward fashion. Seles, who had won this tournament on her four previous visits, is 33-1 in Melbourne, but in the wake of Mauresmo's remarkable victory that was little more than a detail.

"Every time I got my foot through the door and thought I was going to get through to the end, it got shut on my foot," Davenport said. "It's disappointing. I haven't had a match slip through my hands in a long time, so it's hard to take, especially in the semifinals."

The match was a struggle from the beginning. Trailing 0-1, Davenport had to save five break points just to hold her serve. She would soon take a 5-2 lead, frequently

Australian Open / CHRISTOPHER CLAREY

forcing the French teenager onto her back foot with flat power from the baseline. But when Davenport served for the set, she was broken as Mauresmo fired a forehand return winner crosscourt.

The tall Californian closed out the set but she was unable to win another against the athletic Mauresmo, ranked 29th but out for long. Mauresmo's aggressive groundstrokes, well-struck first serves and line-to-line court coverage created problems for Davenport, the U.S. Open champion.

Davenport was not as sharp or cocksure as she has been on hard courts in recent months. She made nearly as many unforced errors as winners and missed several short forehands. She was also negative, dropping her racquet on occasion in frustration, but that was partly because Mauresmo succeeded in playing tricks with Davenport's rhythm and confidence.

In their one previous meeting, Mauresmo beat Davenport on clay at the German Open last spring on her way to the final. That tournament, for which Mauresmo had to qualify, represented Mauresmo's breakthrough as a professional, and

though she did not continue to win consistently. Yannick Noah, then the French team captain, thought highly enough of her abilities to select her to play Fed Cup singles against Switzerland in July, passing over Nathalie Tauziat, the Wimbledon finalist.

It was Noah's emotional victory at the French Open in 1983 that convinced Mauresmo at the age of 4 that she wanted to be a tennis player. "My dream was always to be a Grand Slam champion," she said. "And so, in a way, deep inside me, I knew that I would make it to this level."

Like Noah, she spent several years living on the grounds at Stade Roland Garros, the site of the French Open, as a boarder in the French Federation's development program. She has developed into a physically striking figure with her strong cello and muscular shoulders, which look all the broader in the sleeveless shirt she has been wearing in Melbourne.

"A couple of times, I thought I was playing a guy," Davenport said. "The girl was hitting it so hard, so strong, and I would look over there and she's strong in the shoulders, those shoulders."

Coming from Davenport, who stands 6 foot 2 (1.88 meters) and is one of the hardest hitters in the history of women's tennis, that was quite a statement. She did not stop there. "I can't believe she's 19. Muscular. Everyone handles it differently. Some players aren't that strong, and they're great players. Some players are obviously very strong and pretty good. I'm sure she's only going to get stronger."

In the current climate of suspicion, allusions to pronounced musculature in a female athlete can quickly raise eyebrows, but Davenport's coach, Robert Van't Hof, said his pupil's remarks were intended to be complimentary, not accusatory.

"It's clear that Amelie is one of the most athletic players in the game," Van't Hof said.

Mauresmo's game does not rely as heavily as Davenport believes on overpowering her opponent. While she can rip a gorgeous one-handed backhand with pace, she frequently slices the shot, and is adept at varying her forehand, too. Despite her top-heavy appearance, she is light on her feet. Movement is one of her strengths, and she is not afraid to take risks by pushing forward.

She has also upset No. 8 seed Patty Schnyder, No. 11 seed Dominique Van Roost and will break into the top 20 next week.

Mauresmo's coach, Christophe Fourcье, has not been with her for long. She hired him in December, shortly after separating from Warwick Bashford.

Mauresmo showed few signs of nerves on Thursday. In the third set, in which she was twice down a break, she rallied with aplomb and broke Davenport to win the match with a fine backhand passing shot down the line that she will remember even longer than Davenport. Only then did she lose her balance, dropping to her knees clenching both fists.

"She didn't kind of hesitate at all; she took it," Davenport said. "For this tournament, she is acting like a champion."

To become one, she must beat Hingis, who, despite being 14 months her junior, has already won the last two Australian Opens and three other Grand Slam singles titles. Seles's winning streak in Melbourne is over, but Hingis is alive. After her victory, she turned to Seles and said that having ended her friend's perfect record, she was "almost not allowed to lose now."

Hingis will be the favorite on Saturday, but it bears remembering that, if the wind blows like it can in Melbourne, a brushfire can be devilishly difficult to put out.



Amelie Mauresmo celebrating after winning her semifinal against Lindsay Davenport on Thursday in Melbourne.

Enqvist Reaches His First Grand Slam Final

MELBOURNE — Thomas Enqvist of Sweden beat Nicolas Pietrangeli of Ecuador, 6-3, 7-5, 6-1, on Thursday to reach his first Grand Slam final. Enqvist will face the winner of Friday's semifinal between No. 10 seed Yevgeni Kafelnikov of Russia and Tommy Haas of Germany.

With the established stars out of the

running in the men's singles, the Australian public showed more interest in the men's doubles Thursday. Patrick Rafter, a local hero, and his partner, Jonas Bjorkman of Sweden, beat the all-Australian pair of Todd Woodbridge and Mark Woodforde in a five-set thriller to reach the final. Their opponents will be Mahesh Bhupathi and Leander Paes of India, the world's top-ranked team.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	T	Pts	GF	GA
Philadelphia	24	10	11	59	138	90
New Jersey	26	14	5	57	133	117
Pittsburgh	20	15	7	47	125	118
N.Y. Rangers	18	21	7	43	121	125
N.Y. Islanders	15	29	3	33	101	137

NORTHEAST DIVISION

Team	W	L	T	Pts	GF	GA
Toronto	21	18	7	49	121	123
Ottawa	25	15	6	56	134	105
Buffalo	22	13	5	54	120	87
Edmonton	20	17	7	47	117	103
Montreal	18	22	8	44	109	123

SOUTHEAST DIVISION

Team	W	L	T	Pts	GF	GA
Carolina	21	18	7	49	121	123
Florida	18	16	12	48	115	119
Washington	16	24	4	36	101	117
Tampa Bay	11	31	24	25	158	188

WESTERN CONFERENCE

CENTRAL DIVISION

Team	W	L	T	Pts	GF	GA
Detroit	24	20	3	51	129	123
St. Louis	21	17	9	43	114	108
Nashville	16	26	4	36	105	147
Chicago	14	25	7	35	101	141

NORTHWEST DIVISION

Team	W	L	T	Pts	GF	GA
Colorado	22	19	4	50	118	124
Edmonton	18	20	7	43	129	120

WEDNESDAY RESULTS

First Period: None, Second Period: None, Third Period: M-Rubio 17 (Madison) 2, L.A. Robitaille 26, Sacconi 12 (Wienmayer) 2, Whitely 2, F. Kneisel 8 (Rum, Dwyer) 2, Shefski on goal 7:15-30, 9:4-17-32, 10:1-10-12, 11:1-10-12, 12:1-10-12, 13:1-10-12, 14:1-10-12, 15:1-10-12, 16:1-10-12, 17:1-10-12, 18:1-10-12, 19:1-10-12, 20:1-10-12, 21:1-10-12, 22:1-10-12, 23:1-10-12, 24:1-10-12, 25:1-10-12, 26:1-10-12, 27:1-10-12, 28:1-10-12, 29:1-10-12, 30:1-10-12, 31:1-10-12, 32:1-10-12, 33:1-10-12, 34:1-10-12, 35:1-10-12, 36:1-10-12, 37:1-10-12, 38:1-10-12, 39:1-10-12, 40:1-10-12, 41:1-10-12, 42:1-10-12, 43:1-10-12, 44:1-10-12, 45:1-10-12, 46:1-10-12, 47:1-10-12, 48:1-10-12, 49:1-10-12, 50:1-10-12, 51:1-10-12, 52:1-10-12, 53:1-10-12, 54:1-10-12, 55:1-10-12, 56:1-10-12, 57:1-10-12, 58:1-10-12, 59:1-10-12, 60:1-10-12, 61:1-10-12, 62:1-10-12, 63:1-10-12, 64:1-10-12, 65:1-10-12, 66:1-10-12, 67:1-10-12, 68:1-10-12, 69:1-10-12, 70:1-10-12, 71:1-10-12, 72:1-10-12, 73:1-10-12, 74:1-10-12, 75:1-10-12, 76:1-10-12, 77:1-10-12, 78:1-10-12, 79:1-10-12, 80:1-10-12, 81:1-10-12, 82:1-10-12, 83:1-10-12, 84:1-10-12, 85:1-10-12, 86:1-10-12, 87:1-10-12, 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POSTCARD

An Atheist's Souvenirs

By Rick Lyman
New York Times Service

PLUGERVILLE, Texas—Jimmy Nassour wasn't sure why he kept raising his hand when the bidding passed the \$500 limit he'd set for himself.

"I guess I got caught up in the moment," he said.

The auctioneer, Bob Sheehan, held aloft the small, white Bible, a gift from students at Winifred Heights Baptist Church in Tulsa, Oklahoma, on Dec. 15, 1968, to Madalyn Murray O'Hair, the atheist leader who once described herself as "the most hated woman in America."

The bidding shot past \$500, then \$1,000 and Nas-

sour hung in there. Finally, the bidders fell away and he found himself the owner of Madalyn Murray O'Hair's Bible for \$2,000.

All around the dimly lighted, white-metal barn on the northeast fringe of the Austin suburbs were garbage bags full of clothes and cardboard boxes and bric-a-brac and dusty pieces of furniture—the biggest garage sale you ever saw. Chinese dolls. Bronze cowboys. Stacks of videotapes. Souvenirs from world travels. Pots and pans. Highball glasses, decanters, collectible whisky bottles. And dozens of boxes of books.

This was all that remained of the worldly possessions of O'Hair, who disappeared from her Austin office in September 1995 with her granddaughter, Robin Murray-O'Hair, and one of her sons, Jon Garth Murray, leaving behind the family's three dogs, O'Hair's medications and a 1985 Porsche parked at the Austin airport.

The authorities were able to trace them, from cell phone

calls and bank records, as far as San Antonio, where \$500,000 was withdrawn from one of the bank accounts of American Atheists Inc., the movement O'Hair founded after becoming a national figure with a 1963 lawsuit that effectively removed prayer from public schools.

Since then, nothing. Not a hint.

The authorities say they have no idea where the three are. Some people believe they were robbed and killed, others think they may still be alive, fleeing creditors, perhaps in New Zealand, where they were said to have bank accounts. If so, O'Hair would be 79, her son 44 and her granddaughter 33.

The auction held Saturday came after the federal government confiscated the contents of O'Hair's home to pay some of the \$250,000 she owed in back taxes and to other creditors.

O'Hair's private papers were not part of the auction. They sit in a safe-deposit box in an Austin bank a block away from the office of Ronald Ingalls, the attorney who is handling their separate sale.

The diaries are a sad chronicle of a yearning, unhappy life. O'Hair, bitter that her dreams of political influence never blossomed, had harsh judgments of almost everyone around her, often singling out Jews and gays and blacks. She dreamed for such things as a "luxury apartment," a mink coat and a Cadillac.

"This living is the pattern of it," she wrote in April 1953. "Work, hope—dream, realizing there is not much hope the dreams will become realization. Yet always the future invites, promises."

Miss or Ms.? In Britain, They're Fighting Words

By Sarah Lyall
New York Times Service

CARDIFF, Wales—Liz Shankland, a 35-year-old public relations executive here, was thrilled to marry her longtime love, Gerald Toms, last November. But she was not thrilled when people started to call her by the name of a person she does not believe exists.

"At parties, people would say, 'This is Gerry Toms'—and this is his wife, Mrs. Toms," she related. "They didn't even give me a Christian name. And when I said my name was Liz Shankland, they'd say: 'You can't do that. You're really Mrs. Toms.'"

The comments grew more extreme. "One woman said to me, 'Don't you think you're being rather disrespectful and rude?'" Ms. Shankland recalled—and so she decided extreme measures were called for.

The new bride, a former reporter and editor at The Western Mail here who knows the value of a well-timed media offensive, decided to take the unusual step of buying a classified ad in her old paper.

"Although she has now publicly pledged undying love for her husband, she has not changed her name to 'Mrs. Toms,'" the ad said.

"Instead, she will continue to be known—personally and professionally—as Ms. Liz Shankland, and makes no apology to the misguided fuddy-duddies who believe that to be strange or unconventional."

In its small way, Ms. Shankland's situation illustrates a larger phenomenon in Britain. It is sometimes hard, women say, to persuade people that you don't want to take the name of your husband (if you have one). And it is sometimes hard to get people to call you Ms.—a word that, while in wide use in some professions, still seems to carry connotations of the stereotypical bra-burning, man-hating, non-leg-shaving feminists who apparently so terrorized British men in the 1960s and '70s.

"They just can't cope with Ms.," said Margaret Blott, a London obstetrician in her 30s who felt compelled to use Miss when she began practicing medicine. (Under the British system, many of the highest-qualified doctors don't call themselves Dr.) Miss Blott, the only Miss in a sea of Mr.'s on the front door of her elegant Harley Street office, said she would have much preferred Ms. but didn't want to unsettle anyone in the conservative medical establishment.

"People make all sorts of assumptions when you use Miss," she said. "They come in and expect someone who's 60 years old. On the other hand, Ms. does have connotations of aggressive feminist overtones, and a lot of people don't like it."

Why not? Kathy Letts, an expatriate Australian novelist who has made a career of poking fun at the stodgy ways of British males, said it's sexism, pure and simple. "When I say I want to be called Ms. Letts," said Ms. Letts, who is married to one of Britain's most respected human-rights lawyers, Geoffrey Robertson, "they either ignore me, or they just go ahead and call me Mrs. Robertson, or Mrs. Letts. When you make an issue out of it, they look at you like you've turned into Lorena Bobbitt."

Despite their trappings of enlightenment, she said, British men are unreconstructed cave-dwellers.

"Women here have been lulled into a false sense of security," she said. "When I moved here, I thought I'd come to New Man land. The men talked about gardening and opera and quoted huge whacks of poetry. They knew Shakespeare's sonnets by heart. I thought, 'Oh, they're so sensitive.' But it's a big scam—they're just as sexist as Australian men, but it's much more hidden."

Part of the problem, it seems, is that Britain has always resisted what it sees as American-style political correctness, a term derided as describing a ridiculously tortured sensitivity that has resulted



No feminist, Liz Shankland merely wanted to keep her name.

in absurd changes to the language.

Britons are loath to demonstrate such sensitivity, or to make such changes, themselves. Thus, women who deliver the mail here are still called postmen, even if they happen to be female mail carriers. Michael Partillo, the former Tory defense minister, was routinely re-

ferred to as "the Spaniard" in newspaper reports, a reference to the fact that his father was a Spanish immigrant, and nobody seemed to object.

Feminism is a highly charged concept here, as it is to some in the United States, and many women seem almost physically afraid of the

term. Margaret Jay, the leader of the House of Lords, recently declared in an interview with The Guardian that she was not a feminist, even though one of her jobs is to run the government's Women's Unit, which deals with issues like education, child care and equal pay.

"In politics, feminism is seen as negative, complaining about things," said Lady Jay, who as a bona fide baroness since her elevation to the House of Lords no longer has to bother deciding whether she wants to be Mrs., Ms. or Miss.

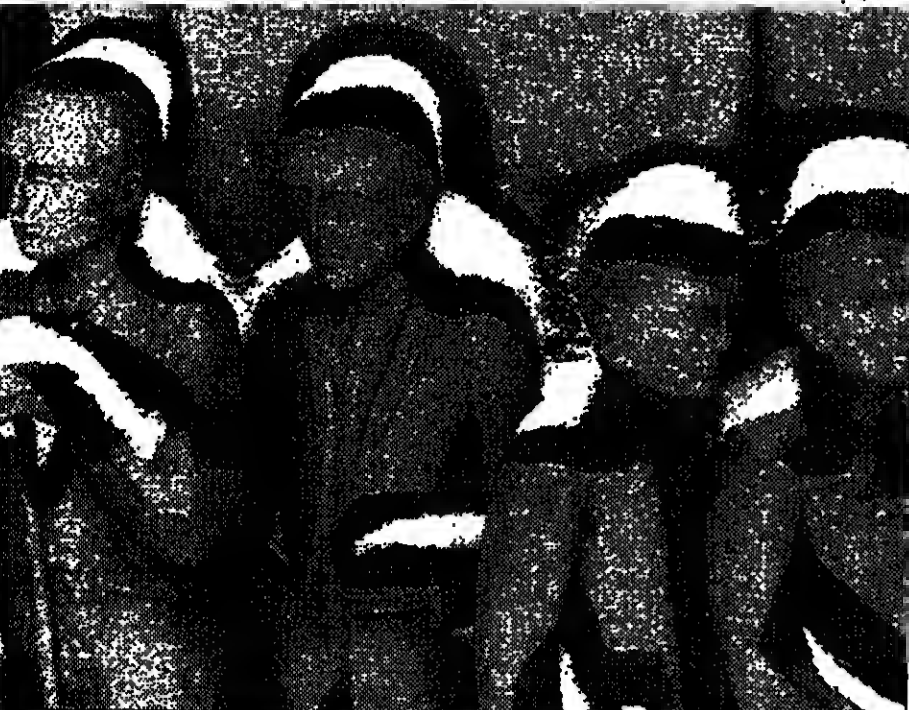
Even Ms. Shankland, who so objected to being seen as what she calls "part and parcel of my husband," balks at the label. She deliberately tried to make her ad playfully hyperbolic, she said, "so that people wouldn't think I was one of those raving feminists who doesn't agree with anything."

"I believe in equality and all the rest of it, but the word's just such connotations," she said. "It reminds people of trade unions, crew-cut hair and dungarees. It gives the impression that you sort of hate men."

Ms. Shankland certainly doesn't hate her husband, a superintendent in the South Wales police force who came in for a bit of ribbing when he appeared, particularly because she had got told him about it in advance.

"I wasn't aware that she was going to resolve the situation in such a direct and public way," Mr. Toms said. But he proclaimed himself unfazed by the experience, even when he found that the ad was inserted into the agenda at his office meeting as a joke on the day it appeared. "I don't, as a man, need to put a tag around a woman's neck to say that I'm married to her."

Has there been any fallout? "Some people look at me like I'm somebody with two heads, but a lot of people have rung me up and said, 'Good on you,'" Ms. Shankland said. One other thing: "At Gerry's office, they're calling him Superintendent Shankland."



ENGRAVED IN SNOW—Sculpture in Einsiedeln, Switzerland, after storms.

FIFTY-ONE of the original storyboards from the 1958 film about the sinking of the Titanic, "A Night to Remember," were sold at an auction in London for £2,400 (about \$3,800). The seller, the 81-year-old Robert Bell, drew the pen-and-ink sketches for the picture, made at Pinewood Studios in southern England, as his first job in the film industry. The buyer asked to remain anonymous. The Phillips auction house said the 51 storyboards used to calculate the dramatic shots and special effects leading to the sinking of the luxury liner sold for three times the minimum estimate.

Lisa Marie Prestley has dropped her lawsuit against the National Enquirer, which had said she was suicidal. "I am satisfied with the settlement," Prestley said, adding that the lawsuit was designed to send a message to tabloids that she won't tolerate publication of untruths. The Enquirer's editor, Steve Coz, was outraged by her announcement. "She

is lying if she means to suggest that she proved false the 1997 article," Coz said. "If Lisa Marie wanted a public airing of the facts surrounding these matters she would not have dropped her lawsuit." Terms of the settlement were not disclosed.

Ellie McPherson was in a tight, pink-trimmed suit. Baby wore white lace. Photographers gathered outside the church of Sant'Agostino church in Rome as the model-turned-mom arrived for the baptism of 11-month-old Arpad Flynn Alexander Busson, whose father is the French financier Arpad Busson. The baptism was followed by a luncheon hosted by the baby's godfather, the industrialist Gianni Agnelli.

The motorcycle daredevil Evel Knievel has received a liver transplant in an operation at Tampa General Hospital in Florida. "He's in stable condition," a hospital spokes-

man, John Dunn, said, confirming the transplant. He said he was not authorized to give any details of the operation. According to a message on Knievel's official Web site (www.evelknievel.com), the operation took place on Tuesday night. "He was in surgery most of the night. It was completed successfully and was a normal operation," the message said. Knievel, 60, had hepatitis C and had been on a waiting list for a liver transplant for several months. Now retired, he became known in the 1960s and 1970s for his motorcycle stunts, which often ended in spectacular crashes.

The wife of the conductor Andre Previn has filed for divorce. Heather Mary Previn cited "irreconcilable differences" in her divorce complaint as the reason for wanting to end the 17-year marriage. Mrs. Previn is seeking custody of the couple's 15-year-old son, Lukas, and an unspecified amount of alimony and child

support. Mrs. Previn, who lives on Martha's Vineyard, Massachusetts, with her son, sells jewelry at her Edgartown store. Previn, whose work has earned him multiple Grammy and Academy Awards, lives in New York. Previn has been married four times, including an eight-year marriage to the actress Mia Farrow.

More than 100 photographers took up positions overnight outside London's Ritz hotel for the most elusive shot of all: Prince Charles together with his long-time lover, Camilla Parker Bowles. Speculation reached fever pitch that the pair would leave the hotel together on Thursday after a birthday party for Camilla's sister, Annabel. Parker Bowles gave a 50th birthday party for Prince Charles in November but they have not been seen together in public, a shot that photographers say could be worth £1 million. The two have been to clubs, restaurants and friends' marriages together but always kept a low profile.



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WASHINGTON—The "show force" strategy to bring about a ceasefire in the Gulf War has been scaled back, according to a report in the New York Times. The report says that the U.S. has decided to limit its military support for the coalition forces, which are fighting against Iraq. The report also says that the U.S. has decided to limit its financial support for the coalition forces. The report says that the U.S. has decided to limit its military support for the coalition forces, which are fighting against Iraq. The report also says that the U.S. has decided to limit its financial support for the coalition forces. The report says that the U.S. has decided to limit its military support for the coalition forces, which are fighting against Iraq. The report also says that the U.S. has decided to limit its financial support for the coalition forces.

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